

Fobi AI Enters Definitive Agreement To Acquire Digital Wallet Agency Wallet-Com To Expand Global Wallet Pass Portfolio

Upon completion, the acquisition will enable Fobi to enhance its solutions suite by adding formal strategy and consulting services to its tech stack.

VANCOUVER, BRITISH COLUMBIA, CANADA, October 18, 2023

/EINPresswire.com/ -- Fobi AI Inc. (FOBI:TSXV) (FOBIF:OTCQB) (the "Company" or "Fobi"), an industry leader in harnessing AI and data intelligence to enable digital

transformation, is pleased to announce that it has entered into an asset purchase agreement dated October 13, 2023 (the "APA"), with Wallet Communication SL, a Spanish limited liability company, (the "Vendor") pursuant to which the Company proposes to acquire certain business assets and intellectual property related to Wallet-Com ("Purchased Assets"), a leading digital wallet agency based in Spain (the "Transaction").

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This agreement not only marks Fobi's fifth wallet pass acquisition, but also the strategic acquisition of a digital wallet agency that will help reinforce Fobi's scale as a global wallet pass leader.”

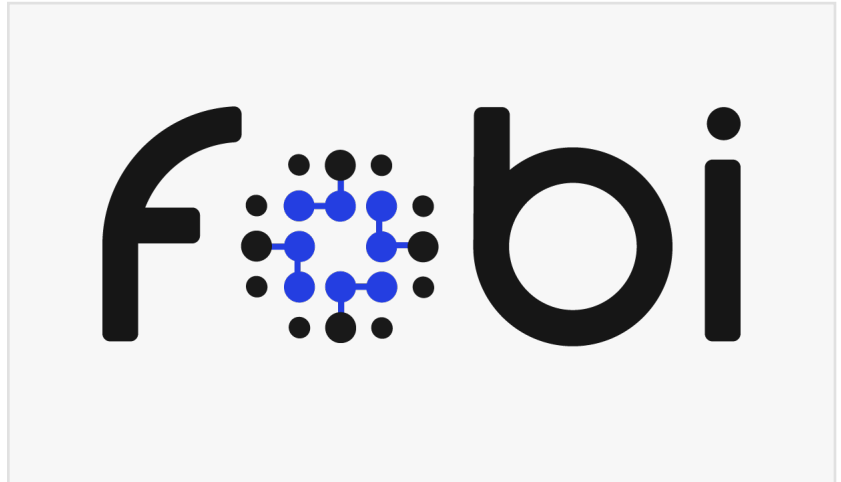
Rob Anson, CEO and Chairman of Fobi AI

Wallet-Com provides communications and marketing technology to over 200 global customers, including Lacoste, Hyundai, and McDonald's. With operations in Spain, France, Portugal, Chile, Peru, and Mexico, Wallet-Com specializes in communication and marketing technology and possesses extensive experience in mobile and digital marketing, loyalty programs, media, and customer relationship and data management.

AGENCY ACQUISITION TO ENHANCE FOBI'S SOLUTION

SUITE WITH THE ADDITION OF FORMAL STRATEGY AND CONSULTING SERVICES

The acquisition of Wallet-Com is expected to enable Fobi to strategically build a service offering on top of its existing technology stack, expanding the Company's portfolio to formal consulting



services and extensive mobile marketing expertise. Services may also be potentially expanded to other complimentary loyalty solutions, ultimately enabling Fobi to deliver more encompassing solutions and impactful marketing campaigns to its enterprise clients around the world.

The Company has partnered with Wallet-Com in the past, recently working together to implement a smart transportation and cities initiative for the Vélez-Málaga City Council, a government entity in the Spanish municipality committed to improving city-wide sustainable mobility. With additional wallet pass success across Europe, the Company expects this acquisition to continue to strengthen Fobi's position as a technology innovator, enabling the Company to gain access to Wallet-Com's customer base and increase its ability to further penetrate Spanish-speaking markets.

TERMS OF THE TRANSACTION

Pursuant to the APA, the purchase price of the Transaction will be €29,010 ("Initial Purchase Price"), payable by the issuance of that number of common shares of the Company ("Initial Payment Shares") as is equal to a fraction, the numerator of which is the Canadian dollar equivalent of €29,010, calculated using the Bank of Canada monthly exchange rate for September 2023, and the denominator of which is the volume weighted average price ("VWAP") for the period ending ten TSX Venture Exchange ("TSXV") trading days prior to the closing date of the transaction ("Closing Date").

As additional consideration of the Purchased Assets and in addition to the Initial Purchase Price, subject to applicable laws and approval of the TSXV at the time of issuance, upon the achievement of certain revenue targets before the first anniversary of the Closing Date, the Company has agreed to pay to the Vendor an additional €81,000 (the "Earn-Out Share Value"), payable in common shares of the Company (the "Earn-Out Shares" and together with the Initial Payment Shares, the "Consideration 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 APA), 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; or any combination of the foregoing.

All Consideration Shares will be subject to a hold period of four months and one day from the date of issuance thereof in accordance with applicable securities laws.

The parties to the APA 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.

The Transaction is subject to customary items, including satisfaction of closing conditions by both parties and TSXV approval.

Colby McKenzie, CRO of Fobi AI, states: "We outlined an aggressive M&A strategy earlier this year and have focused on supporting the expansion of our wallet business. The acquisition of Wallet-Com brings another exciting layer to this burgeoning business unit. Given the legacy relationship, the synergies should be immediate."

Rob Anson, CEO of Fobi AI, states: "This agreement with Wallet-Com not only marks Fobi's fifth wallet pass acquisition, but also the strategic acquisition of a leading digital wallet agency that will help reinforce Fobi's strength and scale as a global wallet pass leader. This collaboration not only broadens our global footprint but also opens doors to exciting new prospects and innovative opportunities, such as the smart cities project that we delivered for Vélez-Málaga. With the relationship we've already built together, I am confident that the integration of Wallet-Com will result in prompt growth and added value to the Fobi brand."

Fobi is also pleased to announce that it has retained Paradox Public Relations Inc. ("Paradox"), to provide capital markets advisory and investor relations services to the Company. Founded in 2001, Paradox is a boutique investor relations consultancy firm that has been driving high-performing results for its clients for over 20 years. Paradox will focus on developing and expanding the Company's communications and visibility with the investment community. In connection with the engagement, Paradox commenced the provision of services effective October 9, 2023, for an initial one-year term and for a fee of \$10,000 per month. Fobi has also granted Paradox incentive stock options to purchase 1,500,000 common shares in the capital of the Company (the "Options") at a price of \$0.21 per common share. The Options are granted pursuant to the Company's Stock Option Plan and, in accordance with the policies of the TSX Venture Exchange, vest quarterly over 12 months and expire on October 17, 2028.

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 our [Investor Experience page](#).

About Wallet-Com

Wallet-Com is a European mobile wallet agency that provides leading communications and marketing technology to over 200 global customers, including Lacoste, Hyundai, and McDonald's. With operations in Spain, France, Portugal, Chile, Peru, and Mexico, Wallet-Com specializes in communication and marketing technology and possesses extensive experience in mobile and digital marketing, loyalty programs, media, and customer relationship and data management. For more information, please visit <https://wallet-com.com/>.

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. Fobi enables businesses to action, leverage, and monetize their customer data by powering personalized and data-driven customer experiences, and drives 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 the Transaction; the terms and consideration payable thereunder; the terms of the Advisory Agreement, Employment Agreement and APA; the satisfaction of all conditions precedent to the Transaction including TSXV approval; whether Fobi or Its business will derive any benefit from the Transaction; Fobi's business and technology; the ability of Fobi to engage with industry participants to achieve its goals; the development of Fobi's technology; the growth of Fobi's business; 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 risks that counterparties to the Transaction may not perform their obligations; failure to obtain the requisite regulatory approval including from the TSXV; 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. There is no guarantee that the Transaction will be completed on the terms outlined herein or at all. 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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