

FORM 51-102F3
MATERIAL CHANGE REPORT

ITEM 1. NAME AND ADDRESS OF COMPANY

FOBI AI Inc. (the “Company”)
Unit 200, 560 Beatty Street,
Vancouver, British Columbia,
V6B 2L3

ITEM 2. DATE OF MATERIAL CHANGE

October 2, 2023

ITEM 3. NEWS RELEASE

The news release dated October 2, 2023 was disseminated through GlobeNewswire and filed on the Company’s SEDAR+ profile.

ITEM 4. SUMMARY OF MATERIAL CHANGE

Fobi announced that further to its press releases dated August 22, 2023, September 1, 2023, and September 18, 2023, the Company has completed its non-brokered private placement financing (the “Offering”) for an aggregate of 6,806,271 units of the Company (“Units”) at a price per Unit of \$0.22 for aggregate gross proceeds of \$1,497,360.

ITEM 5. FULL DESCRIPTION OF MATERIAL CHANGE

5.1 Please refer to the Company’s news release dated October 2, 2023, which is attached as Schedule “A” to this Material Change Report.

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

Not applicable.

ITEM 8. EXECUTIVE OFFICER

Contact: Gavin Lee, COO
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ITEM 9. DATE OF REPORT

October 12, 2023

Fobi AI Announces Completion of Non-Brokered Private Placement

Not for distribution to United States newswire services or for dissemination in the United States.

VANCOUVER, BC, October 2, 2023, 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 further to its press releases dated August 22, 2023, September 1, 2023, and September 18, 2023, the Company has completed its non-brokered private placement financing (the "**Offering**") for an aggregate of 6,806,271 units of the Company ("**Units**") at a price per Unit of \$0.22 for aggregate gross proceeds of \$1,497,360. Each Unit consisted of one (1) common share in the capital of the Company (a "**Common Share**") and one-half of one (1/2) common share purchase warrant (each whole warrant, a "**Warrant**"). Each Warrant entitles the holder to acquire one Common Share at an exercise price of C\$0.30 until the earlier of three (3) years from the closing of the respective date of closing of each tranche; and (ii) in the event the volume weighted average price of the Common Shares on the TSX Venture Exchange (the "**TSXV**") for any continuous 10 trading day period meets or exceeds \$0.50 following the closing of the Offering (the "**Acceleration Condition**"), the date that is thirty (30) days following the issuance of a news release by the Company announcing the acceleration of the expiry of the Warrants, which such news release may be issued at any time following the trigger of the Acceleration Condition (the "**Acceleration Right**"). For avoidance of doubt, the Company shall not be obligated to exercise the Acceleration Right at any time.

Subject to compliance with applicable regulatory requirements and in accordance with National Instrument 45-106 – *Prospectus Exemptions* ("**NI 45-106**"), the Units issued pursuant to the Offering were offered for sale to purchasers resident in Canada (other than Quebec) and/or other qualifying jurisdictions pursuant to the listed issuer financing exemption under Part 5A of NI 45-106 (the "**Listed Issuer Financing Exemption**"). As the Offering was completed pursuant to the Listed Issuer Financing Exemption, the securities issued under the Offering are not subject to a hold period pursuant to applicable Canadian securities laws.

The Company intends to use the net proceeds of the Offering for product

expansion and integration, market expansion, and general working capital and corporate expenses.

The securities of the Company have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or any U.S. state securities laws and may not be offered or sold in the United States absent registration or an available 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 an offer to buy, nor shall there be any sale of the securities referenced in this press release, in any jurisdiction in which such offer, solicitation or sale would be unlawful.

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 Fobi AI

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.

On behalf of the Board of Directors of the Company
“*Rob Anson*”

For more information, please contact:

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Cautionary Statement Regarding Forward Looking Information

This news release contains forward looking information or statements within the meaning of applicable securities laws, which may include, without limitation, statements relating to the use of proceeds of the Offering, the technical, financial and business prospects of the Company, its assets and other matters. All statements in this news release, other than statements of historical facts, that address events or developments that the Company expects to occur, are forward looking information or statements. Although the Company believes the expectations expressed in such forward looking information or statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in the forward looking information or statements. Such statements and information are based on numerous assumptions regarding present and future business strategies and the environment in which the Company will operate in the future, including the price of inputs including labour costs, the ability to achieve its goals, expected costs and timelines to achieve the Company's goals, that general business and economic conditions will not change in a material adverse manner, and that financing will be available if and when needed and on reasonable terms. Such forward looking information or statements reflects the Company's views with respect to future events and is subject to risks, uncertainties and assumptions, including the risks and uncertainties relating to litigation and arbitration and the costs and timelines associated with the same, the potential for unexpected costs and expenses and those other risks filed under the Company's profile on SEDAR+ at www.sedarplus.ca. While such estimates and assumptions are considered reasonable by the management of the Company, they are inherently subject to significant business, economic, competitive and regulatory uncertainties and risks. Factors that could cause actual results to differ materially from those in forward looking information or statements include, but are not limited to, continued availability of capital and financing and general economic, market or business conditions, failure to compete effectively with competitors, failure to protect the Company's intellectual property, failure to maintain or obtain all necessary permits, approvals and authorizations, failure to comply with applicable laws, risks relating to unanticipated operational difficulties (including failure of equipment or processes, cost escalation, unavailability of personnel, materials and equipment, regulatory action or delays in the receipt of regulatory approvals, work stoppages or disturbances or other job action, and unanticipated events related to health, safety and other legal matters), decreases in demand for the Company's products and services, the impact of COVID-19 or other viruses and diseases on the Company's ability to operate, an inability to predict and counteract the effects of COVID-19 on the business of the Company, including but not limited to, the effects of COVID-19 on the price of inputs, capital market conditions, restriction on labour and international travel and supply chains, loss of key employees, consultants, or directors, increase in costs, delayed results, litigation, and failure of counterparties to perform their contractual obligations. The Company does not undertake to update forward looking statements or forward looking information, except as required by law.

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.