

FOBI AI Inc. Announces Proposed Variation to Private Placement

Vancouver, BC, March 3, 2025, FOBI AI Inc. (FOBI:TSXV) (FOBIF:OTCQB) ("Fobi" or the "Company") announces that, further to its news releases dated December 24, 2025, and February 12, 2025, it has applied to its principal regulator, the British Columbia Securities Commission ("**BCSC**"), for a variation order (the "**Second Variation Order**") to the partial revocation order granted by the BCSC on December 30, 2024 (the "**Partial Revocation Order**"), as varied by a variation order granted by the BCSC on February 14, 2025 (the "**First Variation Order**"), in respect of the ongoing failure-to-file cease trade order ("**FFCTO**") ordered by the BCSC on November 1, 2024, solely to change the conversion price of the convertible debentures under the Company's proposed private placement offering as detailed below.

The First Variation Order contemplates the sale of up to 1,495 unsecured convertible debentures (each, a "**Debenture**") of the Company to a single subscriber (the "**Subscriber**"), each with a principal amount of C\$1,000, for aggregate proceeds of up to C\$1,495,000 (the "**Revised Offering**"). Each Debenture will bear interest of 10.0% per annum, calculated and payable semi-annually. All interest owed under the Debentures will be paid in cash. The maturity date of the Debentures will be the date that is two years from the closing date of the Revised Offering (the "**Maturity Date**"). Subject to the policies of the TSX Venture Exchange, or any other public exchange on which the common shares of the Company ("**Common Shares**") may trade (the "**Exchange**"), the debenture holder may convert the principal balance of any outstanding Debentures purchased under the Revised Offering into units of the Company ("**Units**") at a conversion price of C\$0.06 per Unit (the "**Conversion Price**"). Each Unit is comprised of one Common Share in the capital of the Company and one Common Share purchase warrant (a "**Unit Warrant**"). Each Unit Warrant will entitle the holder thereof to purchase one Common Share for two years following the closing of the Revised Offering at a price of C\$0.06 per Common Share. If the closing price of the Common Shares on the Exchange is C\$0.12 or higher for ten consecutive trading days at any time, the Company may, at its sole discretion, pay the principal amount of any outstanding Debentures by issuing Units at the Conversion Price.

At the request of the Exchange, the Company is now seeking to further vary the Partial Revocation Order solely to revise the Conversion Price of the Debentures from C\$0.06 per Common Share for the entire term of the

Debentures to a revised conversion price (the “**Revised Conversion Price**”) of (i) C\$0.06 per Unit before the date that is the one year anniversary of the closing date of the Revised Offering and (ii) C\$0.10 per Unit on or after the date that is the one year anniversary of the closing date of the Revised Offering and before the Maturity Date, subject to the policies of the Exchange. All other terms of the Revised Offering and the Debentures will remain unchanged, including the anticipated allocation of proceeds of the Revised Offering specified in the First Variation Order and the news release of the Company dated February 12, 2025.

The proceeds from the Revised Offering will be used to file the outstanding continuous disclosure documents of the Company, cover essential expenses, and subsequently apply for a full revocation of the FFCTO within a reasonable time, among other things. The Company intends to use the proceeds of the Offering as described in the table below, and such amounts have not been varied since the First Variation Order except to update the applicable exchange rate.

Description	Costs (C\$)
Accounting, audit and legal fees (amounts past due)	\$321,755
Regulatory and late filing fees (amounts past due)	\$74,101
Payroll - Amounts past due of \$571,522 ⁽¹⁾ - Accruals and 3 month working needs of \$120,000	\$691,522
Payroll CRA source deductions (accrual and 3 months working need)	\$100,000
US Internal Revenue Service payments (accruals)	\$50,000
BC employer tax (amounts past due)	\$50,000
Essential operating expenses (amounts past due	\$91,514

Description	Costs (C\$)
Unallocated working capital and general and administrative expenses	\$116,108
Total	\$1,495,000

Note:

(1) Includes certain amounts payable in U.S. dollars converted to CAD using the Bank of Canada exchange rate of 1 USD to 1.4438 CAD on February 28, 2025.

On closing of the Revised Offering, assuming the conversion of 1,495 Debentures at a conversion price of \$0.06, being the lowest Revised Conversion Price, the Subscriber is anticipated to hold 9.99% of the issued and outstanding Common Shares of the Company. The exercise by the Subscriber of Unit Warrants will be prohibited if it would result in their control of 10.0% or more of the outstanding voting securities of the Company unless a personal information form is filed with the Exchange, or 20.0% or more of the outstanding voting securities of the Company unless approval of the shareholders of the Company is obtained.

Completion of the Revised Offering remains conditional on the grant of the Second Variation Order by the BCSC and the execution of a subscription agreement by the Subscriber, among other things.

Based on management's current reasonable estimation, the Company believes the proceeds from the Revised Offering will be sufficient to enable the Company to file its outstanding continuous disclosure documents and pay all related outstanding fees. The Company anticipates filing (i) audited annual financial statements, management's discussion and analysis, and related certifications for the year ended June 30, 2024 ("**Annual Filings**"), within 60 days of the closing of the Revised Offering and (ii) interim financial statements, management's discussion and analysis, and related certifications for the three months ended September 30, 2024, including certifications thereto ("**Interim Filings**"), within 15 days of the filing of the Annual Filings, at which time the Company intends to apply for a full revocation of the FFCTO.

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.

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Forward Looking Statements/Information:

This news release contains certain statements which constitute forward-looking statements or information, including statements regarding the terms of the Revised Offering, the Second Variation Order, the intended use of the proceeds of the Revised Offering, the time to complete the Annual Filings and Interim Filings, and other statements characterized by words such as “anticipates,” “may,” “can,” “plans,” “believes,” “estimates,” “expects,” “projects,” “targets,” “intends,” “likely,” “will,” “should,” “to be,” “potential” and other similar words, or statements that certain events or conditions “may,” “should” or “will” occur. Such forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond the Company’s control, including, without limitation, market competition, the impact of general economic and industry conditions, competition, stock market volatility, BCSC and Exchange approval conditions, and the ability to access sufficient capital from internal and external sources. Although the Company 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. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking information are the following: Fobi not receiving approval of the Exchange with respect to any future issuances of securities as required; and changes to volatile exchange rates, market conditions, market competition and other economic and market factors. This forward-looking information may be affected by risks and uncertainties in the business of the Company and market conditions. As such, readers are cautioned not to place undue reliance on the forward-looking statements, as no assurance can be provided as to future plans, operations, and 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, the Company 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 the Company should be considered highly speculative. There can be no assurance that the Company 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) accepts responsibility for the adequacy or accuracy of this release.