



FINTECHWERX ACQUIRES 1396015 B.C. LTD.

News Release - Vancouver, British Columbia, August 1, 2024 - FintechWerx International Software Services Inc. (CSE: WERX) ("**FintechWerx**" or the "**Company**"), is pleased to announce that, on July 31, 2024, it closed (the "**Closing**") the transactions contemplated in an amalgamation agreement dated July 9, 2024, as amended by an amendment agreement dated July 18, 2024 (together, the "**Amalgamation Agreement**") with 1396015 B.C. Ltd ("**NumberCo**"), a private non-arm's length company incorporated under the laws of the Province of British Columbia, SmartWerx Solutions Inc., a wholly-owned subsidiary of the Company, and Looking Glass Media Limited ("**LGM**"), the parent company of NumberCo, pursuant to which the Company completed a business combination with NumberCo and acquired all of the outstanding shares of NumberCo (collectively, the "**NumberCo Shares**") from the shareholders of NumberCo by way of a "three-cornered" amalgamation (the "**Transaction**").

George Hofsink, the CEO of the Company said: "*Our business is about managing risk, complying with regulations, and optimizing time and resources in bringing together independent sales organizations and merchants with payment processors and financial institutions. By bringing the R&D in-house through this acquisition, we can leverage our existing technology more effectively, reduce costs, and accelerate the time to market for new innovations. This strategic move allows us to streamline workflows, enhance customer experiences, and scale our business more efficiently.*".

About NumberCo

NumberCo is a wholly-owned subsidiary of LGM that has developed consumer enrollment technology provided through a portal which brings together identity verification functions and merchant payment account opening capabilities in one platform (the "**Technology**"). Prior to the Closing, the Technology was being licensed to SmartWerx pursuant to a license and services agreement dated February 22, 2023, as amended and restated on August 1, 2023 (the "**Enrollment License Agreement**"). Following the Closing, the Company, through its subsidiary, now owns the Technology, subject to the Minimum Investment Requirement (as defined herein).

Summary of the Transaction

Pursuant to the terms of the Amalgamation Agreement, the Company acquired all of the issued and outstanding NumberCo Shares by way of a "three-cornered" amalgamation whereby SmartWerx and NumberCo amalgamated to form a new entity ("**AmalCo**"), and AmalCo became a wholly-owned subsidiary of the Company upon the Closing. At the effective time of the Closing, each of the outstanding NumberCo Shares were cancelled and, in consideration for such NumberCo Shares, the sole NumberCo shareholder received an aggregate of 5,600,000 common shares (each, a "**Share**") in the capital of the Company, at a deemed price of \$0.07 per Share.

The Shares are subject to a voluntary escrow arrangement between the Company and the NumberCo shareholder, whereby the Shares shall be released as to 10% on the date of Closing (the "**Closing Date**") and 15% every six months following the Closing Date, or as otherwise determined by the Company and agreed to in writing by the shareholder of NumberCo.

Pursuant to the Amalgamation Agreement, the Company has committed to invest, or cause AmalCo to invest, a minimum of \$200,000 in the Technology on or before the date that is two years from the Closing Date, with eligible investments related to the integration and development of: (i) generative artificial intelligence interfaces and software; (ii) machine learning workflows and software; (iii) smart contracts; (iv) blockchain; and (v) open banking solutions (the “**Minimum Investment Requirement**”). If the Company fails, or fails to cause AmalCo, to satisfy the Minimum Investment Requirement, AmalCo will grant a perpetual, exclusive, transferable, and royalty free license to the Technology to LGM.

Francisco Kent Carasquero, the Executive Chairman of the Board of the Company, is a Director and President of NumberCo, and LGM, a company controlled by Mr. Carasquero, is the sole shareholder of NumberCo, holding 100% of the issued and outstanding NumberCo Shares. The participation of NumberCo and LGM in the Transaction constitutes a “related party transaction” under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). The Transaction is exempt from the valuation requirement of MI 61-101 by virtue of the exemptions contained in section 5.5(b) of MI 61-101 as the Company’s common shares are not listed on a specified market and from the minority shareholder approval requirements of MI 61-101 by virtue of the exemption contained in section 5.7(1)(a) of MI 61-101 in that the fair market value of the Shares will not exceed 25% of the Company’s market capitalization. The Company did not file a material change report more than 21 days before the anticipated closing date as the details of the Transaction were not finalized until immediately prior to the execution of the Amalgamation Agreement, and the Company wished to close the Transaction on an expedited basis for sound business reasons.

Early Warning Disclosure

Upon Closing, LGM acquired, as consideration from the Company, 5,600,000 Shares. When combined with the Shares held by Mr. Carasquero, the controlling shareholder of LGM, and Stanlark Ventures Inc. (“**Stanlark**”), a company wholly-owned by Mr. Carasquero (together, the “**Group**”), in aggregate, the Group now beneficially owns a total of 7,475,100 Shares representing 19.7% of the total issued and outstanding Shares on an undiluted and partially diluted basis. Stanlark beneficially owns 600,000 warrants (the “**Warrants**”) to purchase Shares that are subject to a limitation on exercise whereby Stanlark cannot exercise the Warrants if, after giving effect to such exercise, Stanlark or any of its affiliates would beneficially own in excess of 19.9% of the total issued and outstanding Shares. Prior to Closing, the Group beneficially owned 1,875,100 Shares on an undiluted basis and 2,475,100 Shares on a partially diluted basis, assuming full exercise of the Warrants. The aggregate value of the 5,600,000 Shares issued to LGM is \$392,000. The Shares were acquired for investment purposes and in the future, additional securities of the Company may be acquired or disposed of by the Group as circumstances or market conditions may warrant.

An early warning report will be filed by the Group with applicable Canadian securities regulatory authorities. To obtain a copy of the related early warning report, please contact LGM at 1-236-246-6446 or LookingLGMLTD@gmail.com LGM’s head office is 315 – 1275 West 6th Avenue, Vancouver, BC, V6H 1A6.

About FintechWerx

FintechWerx is an e-commerce technology company. The Company provides onboarding, payments, identity verification and data services to independent sales organizations, small and medium sized businesses. Additional information is available at www.sedarplus.ca or on the Company's website at www.FintechWerx.com.

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Forward-Looking Statements

This press release contains forward-looking statements within the meaning of applicable Canadian securities legislation, which statements involve risks and uncertainties. Forward-looking statements generally relate to future events or FintechWerx's future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as "may," "can," "will," "would," "should," "expects," "plans," "anticipates," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "forecasts," "potential" or "continue" or the negative of these words or other similar terms or expressions that concern FintechWerx's expectations, strategy, plans or intentions. Forward-looking statements contained in this press release include, but are not limited to, statements about: FintechWerx's anticipated strategies and business plans; FintechWerx's expectations regarding future growth and profitability; and the effects of organizational and operational changes. You should not rely upon forward-looking statements as predictions of future events. Although FintechWerx believes that such statements are reasonable and reflect expectations of future developments and other factors which management believes to be reasonable and relevant, FintechWerx can give no assurance that such expectations will prove to be correct. In making the forward-looking statements in this news release, FintechWerx has applied several material assumptions, including without limitation, that market fundamentals will support the viability of the Technology, the availability of the financing required for FintechWerx to carry out its planned future activities, and the availability of and the ability to retain and attract qualified personnel.

The outcome of the events described in these forward-looking statements is subject to known and unknown risks, uncertainties, and other factors that may cause FintechWerx's actual results, performance, or achievements to differ materially from those described in the forward-looking statements, including, among other things: FintechWerx's ability to realize the anticipated benefits of changes to its operating model and organizational structure; the impact of macroeconomic uncertainties and market volatility; FintechWerx's financial performance, including expectations regarding its results of operations and the assumptions underlying such expectations, and ability to achieve and sustain profitability; FintechWerx's ability to attract and retain customers; FintechWerx's ability to compete effectively in an intensely competitive market; FintechWerx's ability to comply with modified or new industry standards, laws and regulations applying to its business, and increased costs associated with regulatory compliance; and FintechWerx's ability to manage changes in network service provider fees and optimize its network service provider coverage and connectivity.

Forward-looking statements represent FintechWerx's management's beliefs and assumptions only as of the date such statements are made. FintechWerx undertakes no obligation to update any forward-looking statements made in this press release to reflect events or circumstances after the date of this press release or to reflect new information or the occurrence of unanticipated events, except as required by law.

The Canadian Securities Exchange (operated by CNSX Markets Inc.) has neither approved nor disapproved of the contents of this press release.