



FINTECHWERX ANNOUNCES STRATEGIC BUSINESS COMBINATION

News Release - Vancouver, British Columbia, July 10, 2024 - FintechWerx International Software Services Inc. (CSE: WERX) ("**FintechWerx**" or the "**Company**"), is pleased to announce that it has entered into an amalgamation agreement (the "**Amalgamation Agreement**") among Smartwerx Solutions Inc. ("**SmartWerx**"), its wholly-owned subsidiary, 1396015 BC Ltd. ("**NumberCo**") and Looking Glass Media Limited ("**LGM**"), dated July 9, 2024, pursuant to which the Company will acquire all of the outstanding securities of NumberCo (collectively, the "**NumberCo Shares**") from the sole securityholder of NumberCo by way of a "three-cornered" amalgamation (the "**Transaction**").

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**"). The Technology is currently 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**"). Pursuant to the Amalgamation Agreement, the Company, SmartWerx and NumberCo agreed that any present and future obligations under the Enrollment License Agreement will be of no further force or effect as of the completion of the Transaction (the "**Closing**").

Summary of the Transaction

Pursuant to the terms of the Amalgamation Agreement, the Company has agreed to acquire all of the issued and outstanding NumberCo Shares by way of a "three-cornered" amalgamation whereby SmartWerx and NumberCo will amalgamate to form a new entity ("**AmalCo**"), and AmalCo will be a wholly-owned subsidiary of the Company upon Closing. At the effective time of the Closing, each of the outstanding NumberCo Shares will be cancelled and, in consideration for such NumberCo Shares, the sole NumberCo shareholder will receive an aggregate of 7,857,142 common shares (each, a "**Share**") in the capital of the Company, at a deemed price of \$0.07 per Share. No change of control or creation of a new control person is anticipated to occur to the Company as a result of the Transaction.

The Shares will be subject to a voluntary escrow agreement 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.

At Closing, Amalco will be named SmartWerx Solutions Inc., and the following individuals will be appointed as directors and officers of SmartWerx:

- (i) George Hofsink as Director and Chief Executive Officer;
- (ii) Nafees Khan as Director and President;
- (iii) Francisco Kent Carasquero as Director; and
- (iv) Claudio Lai as Chief Technical Officer.

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 FintechWerx 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 wishes to close the Transaction on an expedited basis for sound business reasons.

The closing of the Transaction is subject to conditions precedent as are customary for transactions of a similar nature, including but not limited to, receipt of all necessary consents and regulatory approvals, as applicable, and all required filings with the Canadian Securities Exchange.

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.

For more information, please contact:

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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: the completion of the Transaction; 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, the Company 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 it and NumberCo will obtain the required approvals for the Transaction, market fundamentals will support the viability of the Technology, the receipt of any necessary regulatory and stock exchange approvals in connection with the Transaction, the availability of the financing required for the Company 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.