

Hank Payments Completes Initial Tranche of Private Placement Offering

Toronto, Ontario--(Newsfile Corp. - June 14, 2022) - **Hank Payments Corp.** (TSXV: HANK) ("**Hank**" or the "**Company**"), a North American leader in consumer Fintech Software-as-a-Service (SaaS) that supports consumer budgeting, cash management and payment automation through its secure, modern, automated and best-in-class proprietary Cloud-based technology solution and related intellectual property (the "**Hank Payment Platform**" or the "**Platform**") announces it has closed an initial tranche of its non-brokered private placement financing of 800 convertible debenture units, ("**Unit**"), for total gross proceeds of \$800,000 (the "**Offering**").

Key Highlights:

- Hank will use this financing principally to accelerate its go-to-market strategy and grow its position across the U.S. including to generate Enterprise SaaS account growth of scale.
- Nominally dilutive financing structure expected to benefit shareholders as the Company generates incremental earnings and continued growth.
- Automatic conversion into common shares upon reaching a ten (10) day VWAP of \$0.50 or greater, twelve (12) or more months from the closing date.

"As we continue to advance our sales funnel, we are pleased to announce this first closing and we look forward to our final closing and the expected income generated by the important Cloud based SaaS business we are growing. Once closed, sales conversions from our growing opportunities pipeline are expected to materially increase Hank's licensing fees as well as fees attributable to our partner institutions all the while improving the financial lives of consumers," noted Michael Hilmer, Chairperson and Chief Executive Officer.

Each Unit consists of one \$1,000 convertible debenture ("**Debentures**") and 3,333 common share purchase warrants ("**Warrant**"). The Debentures mature on and become payable on June 13, 2025 (the "**Term**") and bear interest at a fixed rate of 10% per annum, payable quarterly. The Debentures are direct, unsecured obligations of the Company, ranking equally with all other unsecured indebtedness of the Company. At any time during the Term, a holder of Debentures may elect to convert the outstanding net principal amount, or any portion thereof, into common shares at a conversion price of \$0.15 per share (the "**Conversion Price**"). The Company may force the conversion of the principal amount of the then outstanding Debentures at any time after the day that is twelve (12) months from the closing date, at the Conversion Price on not less than 5 days' notice if the volume weighted average trading price of the common shares on the TSX Venture Exchange (the "**TSXV**") for any 10 consecutive trading day period is equal to or greater than \$0.50. Each Warrant entitles the holder to purchase one common share of the Company at an exercise price of \$0.25 per common share until June 13, 2024.

The use of proceeds from the Offering will principally be to expand the Company's portfolio of clients, provide them with first-class technology (including further advancing the Platform to accommodate complex multi-payment large scale Enterprise customers) and end-to-end service and secondarily for general working capital.

The Company expects to close up to \$1,500,000 to finance the accretive strategic and near-term growth initiatives. The closing of the Offering and issuance of the Debentures and Warrants is conditional on the final approval of the TSXV. The Company expects to close a second tranche of the Offering in a timely manner.

The issuance of the Convertible Debentures and the Warrants pursuant to the first tranche of the Offering were (and, if applicable, any underlying common shares and Warrants shall be) completed on a private placement and prospectus exempt basis, as applicable, such that the issuances are (or in the case of

the Units and any underlying common shares and Warrants, shall be) exempt from any applicable prospectus and securities registration requirements. While the Company is offering a seven percent cash and seven percent warrant to brokers, no finder's fees or commissions were paid in connection with the first tranche of the Offering.

All securities issued pursuant to the Offering are subject to a statutory hold period ending October 14, 2022. The Offering is subject to TSX Venture Exchange acceptance of regulatory filings. The securities offered pursuant to the Offering have not been, nor will they be, registered under the United States *Securities Act of 1933*, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from the registration requirements. This news 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 in any jurisdiction in which such offer, solicitation or sale would be unlawful.

The Company also announced that Ms. Tamara Paton has retired as a member of the Board of Directors so that she may focus her efforts on other professional duties. The Board of Directors would like to thank Ms. Paton for her contribution over the past year and wish her well in her future endeavours. Hank and the Board are currently evaluating several impressive candidates, with a view to appointing a new Director to fill the vacancy in a timely manner.

About Hank Payments Corp.

Hank is a SaaS based consumer Fintech company. One of the important vertical markets of the industry leading proprietary Cloud-based software Hank Payment Platform is to act as a consumer's financial budget manager using powerful technology and other intellectual property to automate a consumer's personal cash flow and payments. Through its FDIC (Federal Deposit Insurance Corporation) insured bank partners in the U.S., Hank helps consumers in all 50 States find funds in their existing cash flow and speed up the retirement of liabilities. The Hank Platform instructs its banking partners to debit consumers when they have cash, store the money in FDIC insured accounts, then automatically pay bills and loans as they come due; often sooner than required. Approximately half of Hank's customers are financially sound, but time challenged and use the Hank Payment Platform for convenience, while the other half are looking to improve their on-time payment performance and improve their credit scores using the Platform. Hank's B2C customers typically pay setup and ongoing recurring monthly processing fees while remaining on the Hank Platform for an average of six years. Hank continues to innovate and anticipates launching more expansive state of the art features to its expected growing B2B and B2C customer base to, amongst other benefits, provide greater visibility into their cash flow, credit performance, and viability to borrow or refinance at lower rates, including introducing Hank customers to interested lenders. For more information visit our website at www.hankpayments.com.

Forward-Looking Statements

This news release may contain forward-looking statements (within the meaning of applicable securities laws) which reflect the Company's current expectations regarding future events. Forward-looking statements are identified by words such as "believe", "anticipate", "project", "expect", "intend", "plan", "will", "may", "estimate" and other similar expressions. These statements are based on the Company's expectations, estimates, forecasts, and projections and include, without limitation, statements regarding the future success of the Company's business. Financial performance figures in Canadian Dollars unless otherwise indicated by "U" representing United States Dollars.

The forward-looking statements in this news release are based on certain assumptions, including without limitation the Shares beginning trading on the TSXV. The forward-looking statements are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements. Readers, therefore, should not place undue reliance on any such forward-looking statements. Further, these forward-looking statements are made as of the date of this news release and, except as expressly required by applicable law, the Company assumes no obligation to publicly update

or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

FOR FURTHER INFORMATION PLEASE CONTACT:

For more information regarding Hank Payments Corp., please contact: Jason Ewart, EVP Capital Markets, at 416-580-0721. For Investor Relations please contact ir@hankpayments.com and visit the Company's website at www.hankpayments.com.

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