

# Hank Payments Receives Key Strategic Investments

Toronto, Ontario--(Newsfile Corp. - January 30, 2024) - **Hank Payments Corp.** (TSXV: HANK) ("**Hank**" or the "**Company**"), an emerging North American leader in the Banking-as-a-Service (BaaS) market with a platform that modernizes budgets and payments for enterprises and consumers announces it has closed a non-brokered private placement of 484 units ("**Unit**") for total gross proceeds of CDN \$484,000 (the "**Offering**") from strategic partners for the Hank Doors and the Hank Equity Builder products.

Hank has secured an investment from a strategic real estate industry partner to drive introductions to large asset managers and residential property owners representing thousands of rental doors, in a market of several million tenants that need help with their cash management. The investor is a developer with deep relationships cultivated over many years and their investment is evidence of the confidence they have in Hank Doors. Hank also secured an investment from a US based financial advisory firm interested in becoming a client as well as developing the US Market for Hank Equity Builder. Details of the anticipated licensing and distribution agreement are being negotiated and will be announced as the contracts are finalized. Hank Equity Builder offers a unique budget and cash management platform for clients while also allowing financial advisors to monitor and manage client cash flow against preset objectives. The product is expected to surface additional investible cash which can automatically be transferred to investment accounts by clients or their financial advisors.

"We are very pleased to attract these terrific and committed partners to assist us in bringing these new products to market over the next few quarters. Partnering with industry experts is expected to shorten time to market and ensure our products and our go to market strategy are sound. The rental and wealth management markets provide tremendous opportunities, and both have experienced challenges for their respective clients due to a rising inflationary environment, housing shortages and less disposable income," stated Michael Hilmer, Chairperson and CEO.

Each Unit consists of one \$1,000 secured convertible debenture ("**Debentures**") and 6,667 common share purchase warrants ("**Warrant**"). The Debentures mature on January 30, 2029 (the "**Term**") and bear interest at a fixed rate of 10% per annum, payable in arrears semi-annually in cash on December 31 and June 30 of each year. The Debentures are secured by the assets of the Company through a general security agreement and rank equally with all other Debentures. 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 \$0.075 per share during the first year and \$0.10 per share thereafter (the "**Conversion Price**"). The Company may force the conversion of the principal amount of the then outstanding Debentures at any time 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 \$0.30. Each Warrant entitles the holder to purchase one common share of the Company at an exercise price of \$0.10 per common share until January 30, 2026.

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.

All securities issued pursuant to the Offering are subject to a statutory hold period ending May 30, 2024. The Offering is subject to TSX Venture Exchange acceptance of regulatory filings. The issuance of the Convertible Debentures and the Warrants pursuant to 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. All securities issued pursuant to the Offering are subject to a statutory hold period ending May 30, 2024. 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 today that it has granted incentive stock options (the "Options") to certain directors, officers, consultants and employees of the Company to acquire an aggregate of 1,945,000 common shares in the capital of the Company as well as 700,000 restricted share units (the RSUs"). The Options were granted at an exercise price of \$0.10. The Options will vest one third upon the grant date and one third annually for the next two years. Of this option grant, 1,850,000 are exercisable for a ten-year term, expiring January 29, 2034, and 95,000 Options are exercisable for a five-year term, expiring January 29, 2029. All Options and RSUs were granted pursuant to the Company's Omnibus Equity Incentive Plan.

### **About Hank Payments Corp.**

Hank Payments Corp (the Company or "Hank") is a North American leader in consumer Fintech Software-as-a-Service (SaaS) and Banking-as-a-Service (BaaS) platforms that manages consumer cash flow and budgets on an automated basis using proprietary algorithms that collect, store and disburse cash as required to discharge obligations in a timely fashion. The Hank stack provides for several vertical market applications of the technology, with features specific to channels and enterprise accounts ("Partners") that allow those partners to operate new lines of business and revenue streams, using Hank. The Partners benefit from new revenue streams and powerful insights that open up additional opportunities for Partners to grow assets using Hank. The Company operates exclusively across the USA, with certain leadership and technology functions in Toronto. Hank houses the complex technology, banking, treasury, customer service, sales and operations teams that acquire and service consumers. Hank currently charges upfront enrolment/setup fees and recurring monthly fees based on the types and quantity of payments that Hank Payments administers for the consumer (the "Users"). The Company acquires Users through various channels including (i) small to medium sized enterprises (the "SME Partners") and (ii) large enterprise businesses (the "Enterprise Partners"). The Company's BaaS model is emerging which is expected to add additional fees including software licensing and usage fees. For more information visit our website at [www.hankpayments.com](http://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](mailto:ir@hankpayments.com) and visit the Company's website at <https://ir.hankpayments.com/>

*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.*



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