Hank Payments Announces Record Second Quarter Financial Results for Quarter Ending December 31, 2023

Toronto, Ontario--(Newsfile Corp. - February 29, 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 is pleased to provide its second quarter financial results for the period ending December 31, 2023.

FINANCIAL HIGHLIGHTS

- Record revenue for the quarter of $1.91 MM, an increase of 21% over the September 2023 quarter and 27% growth over the same quarter in 2022;
- Adjusted loss from operations of $146,221 representing over 70% improvement as compared to the September 2023 quarter;
- Quarterly Canadian licensee revenues of over $500,000 during the quarter which is the minimum quarterly licensing fee to continue through the multi-year term of the agreement;
- Strong Gross Margins Exceeding 90%.

BUSINESS HIGHLIGHTS

- Three US colleges contracted during the quarter for the Hank EDU platform with several more colleges engaged and contract announcements expected on an ongoing quarterly basis;
- Several colleges completing their integration phase and launching in the coming months;
- Material rebound in the auto sector delivered over 11% growth for the year with a 39% surge in customer enrolments in the month of December;
- Large dealer groups continued to be signed with launches expected in the coming quarters; and
- Strategic investments received subsequent to the quarter end from market development partners for two new products expected to launch this year, Hank Equity Builder and Hank Doors.

Michael Hilmer, CEO and Chairperson commented "We are very pleased with the progress this past quarter, which showed all active lines of business and products delivering value and signings, with an exciting surge in our auto customer base. Auto has always performed predictably and the upward trend is expected to continue through the year, driving incremental contributions to margin." He added, "While it is a challenge to grow quickly while managing costs to achieve positive EBITDA, our team as been surgical and has made tremendous progress with the path to positive EBITDA now imminent. The strategic investments we received following the quarter will help drive our two new products, Hank Equity Builder and Hank Doors, which are expected to further diversify our revenue streams across new markets and deliver meaningful recurring contributions in 2025."

The Company granted 75,000 stock options at an exercise price of $0.10 to an employee. The options are subject to the standard provisions of the Company's Omnibus Equity Incentive Plan.

A comprehensive discussion of Hank's financial position and results of operations is provided in the financial statements and MD&A for the six-month period ending December 31, 2023, filed on SEDAR.

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.

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 https://ir.hankpayments.com/

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