



## LENDIFIED ANNOUNCES SALE OF WHOLLY-OWNED SAAS SUBSIDIARY

**July 7, 2020 – Toronto, Ontario** – Lendified Holdings Inc. (formerly, Hampton Bay Capital Inc.) (TSXV:LHI) (“**Lendified**” or the “**Company**”) today announced that its wholly-owned subsidiary Lendified Privco Holding Corporation (“**Subco**”) entered into a share purchase agreement (the “**Agreement**”) to sell Lendified Technologies Inc. (“**JUDI.AI**”), the Company’s indirect wholly-owned subsidiary which provides a software as a service technology platform providing AI-enabled credit origination and analytics to financial institutions across Canada. Pursuant to the Agreement, Subco will sell all of the issued and outstanding shares of JUDI.AI to 12173115 Canada Inc. (the “**Purchaser**”), which includes a group of investors, including among others, the current Chief Executive Officer of JUDI.AI (the “**Transaction**”).

The purchase price for the shares of JUDI.AI consists of \$1 and up to \$100,000 payable to JUDI.AI’s auditor on behalf of Subco upon receipt of JUDI.AI of its Scientific Research and Experimental Development (SRED) program claims for the periods from January 1, 2019 to December 31, 2019 and January 1, 2020 to April 28, 2020. Pursuant to the Agreement, the Purchaser will assume all of the liabilities and obligations of JUDI.AI.

At closing, Subco and JUDI.AI will enter into a licensing agreement pursuant to which JUDI.AI will receive a royalty free license to use all loan performance data collected by Subco to date and for the three year period subsequent to closing and Subco will receive a royalty free license to use JUDI.AI’s financial categorization engine for the three year period subsequent to closing.

The completion of the Transaction is subject to certain closing conditions including, among others, the receipt of all necessary regulatory approvals, including by the TSX Venture Exchange (the “**TSXV**”); there being no prohibitions under applicable securities or other laws to the completion of the Transaction; the consent of necessary third-parties, including the Company’s and JUDI.AI’s creditors; the release of the Company and certain of its subsidiaries from their respective guarantees of JUDI.AI’s indebtedness; and the release of JUDI.AI from its guarantees of certain of the Company’s indebtedness. The company will provide an update when final regulatory and TSXV approvals have been received and the Transaction has been completed.

The Transaction is a non-arm’s length transaction for purposes of the policies of the TSXV and applicable securities laws as the Purchaser group includes the Chief Executive Officer of JUDI.AI. The Company intends to rely on applicable exemptions from the valuation and shareholder approval requirements for a transaction of this nature provided such exemptions are available and granted to the Company by the TSXV.

The Transaction is part of the Company’s overall strategy toward improving its financial condition as announced in the Company’s press release dated June 25, 2020. JUDI.AI is not yet cash positive and continues to require cash infusions in the amount of approximately \$100,000 per month in order to maintain operations. Its cash reserves at this time are approximately \$80,000. At this time, the Company is not in a position to continue to fund the JUDI.AI’s business and there are no assurances that it would be able to do so in the future. The Transaction is designed to improve the Company’s financial position as the Purchaser has agreed to assume the liabilities and obligations of JUDI.AI, relieving the Company of the financial burden of funding JUDI.AI’s operations until it becomes cash positive.

## **ABOUT LENDIFIED HOLDINGS INC.**

Lendified, a company located in Ontario, Canada, is a leading Canadian FinTech company operating both a lending platform which provides working capital loans to small businesses across Canada through its wholly-owned subsidiary, Lendified Inc. and a software as a service technology platform through JUDI.AI.

### **Further Information**

For further information regarding Lendified, please contact:

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**Neither the TSXVE nor its Regulation Services Provider (as that term is defined in the policies of the TSXVE) accepts responsibility for the adequacy or accuracy of this release.**

*This news release may contain forward-looking statements which reflect the Company's current expectations regarding future events. The forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "estimate", "expect", "intend" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions. These forward-looking statements involve risk and uncertainties, including whether the Disposition will be approved by the TSXV, whether the Company will obtain the necessary regulatory approvals for the Transaction, whether the Company's and JUDI.AI's creditors will approve the Transaction and the release of the respective guarantees, whether the Company will be able to rely on applicable exemptions from the valuation and shareholder approval requirements of the TSXV and applicable regulatory bodies, whether the effects of the COVID-19 pandemic will be even more severe than it has been to date, any of which could cause results, performance, or achievements to differ materially from the results discussed or implied in the forward-looking statements. Many risks are inherent in the industries in which the Company participates; others are more specific to the Company. The Company's ongoing quarterly filings should be consulted for additional information on risks and uncertainties relating to these forward-looking statements. Investors should not place undue reliance on any forward-looking statements. Management assumes no obligation to update or alter any forward-looking statements whether as a result of new information, further events or otherwise.*