

Jasper Commerce Closes First Tranche of Convertible Debenture Unit Financing

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VANCOUVER, BC, Feb. 16, 2023 /CNW/ - Jasper Commerce Inc. (TSXV: JPIM) ("**Jasper**" or the "**Company**"), a leading provider of Product Information Management ("**PIM**") solutions, is pleased to announce that it has closed the first tranche of its previously announced non-brokered private placement offering (the "**Offering**") of units ("**Units**"). The aggregate subscription price for the Units issued in the first tranche totals CAD\$636,500, which represents the full offering size of \$500,000 plus a partial exercise of the over-allotment option. The Company may close further tranches of the over-allotment up to CAD\$113,500 in total.

Each Unit is comprised of: (i) \$1,000 principal amount of 12% secured convertible debentures ("**Convertible Debentures**") issued by the Company with a maturity date ("**Maturity Date**") of five years from the date of issuance; and (ii) 20,000 common share purchase warrants of the Company (each, a "**Warrant**").

Each Convertible Debenture is convertible at the holder's option into fully-paid common shares of the Company ("**Common Shares**") at any time prior to the Maturity Date at a conversion price of \$0.05 per Common Share from the date of issuance until 11:59 p.m on the day prior to the first anniversary of the date of issuance and at \$0.10 per Common Share thereafter, being a ratio of 20,000 Common Shares per \$1,000 principal amount of Convertible Debentures during the first year of issuance and 10,000 Common Shares per \$1,000 principal amount of Convertible Debentures thereafter. If the volume weighted average price of the Common Shares for any 60 day period prior to the Maturity Date equals or exceeds \$0.35 per Common Share then any outstanding Convertible Debentures at that time automatically will be converted into Common Shares at the then applicable conversion price effective the 60th day of such period. The Convertible Debentures will be secured obligations of the Company and will have a floating charge over the Company's assets but will be subordinate to existing secured indebtedness of the Company.

Each Warrant is exercisable into one Common Share of the Company at an exercise price of \$0.10 for a period of 48 months following the closing date of the Offering.

In connection with the Offering, the Company paid finder's fees to certain registered brokerage firms, which was comprised of cash payments of \$23,800 and the issuance of 476,000 finders' warrants exercisable at a price per Common Share of \$0.05 and having a term of twenty-four months following issuance.

The Offering, including the terms of the Convertible Debentures, received the conditional approval of the TSX Venture Exchange (the "**Exchange**") prior to closing but is subject to the final approval of the Exchange. The Convertible Debentures, Warrants and any Common Shares resulting from the conversion of the Convertible Debentures, or the exercise of the Warrants will be subject to a hold period of four months and one day after the date of issuance thereof. The Company intends to use the proceeds of the Offering for general working capital purposes.

Insider Participation in Offering

As certain officers, directors and 10%+ shareholders of the Company participated in the Offering, the Offering is considered a "related party" transaction subject to and in accordance with Multilateral Instrument 61-101 ("MI 61-101") and policy 5.9 of the Exchange. The Company relied on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in Sections 5.5(a) and (b) and 5.7(1)(a) and (b) of MI 61-101. Neither the Company, nor to the knowledge of the Company after reasonable inquiry, a related party, has had knowledge of any material information concerning the Company or its securities that has not been generally disclosed.

Other than subscription agreements to be entered into between such related parties and the Company relating to the issuance of the Units pursuant to the Offering and the securities to be issued thereunder, the Company does not anticipate entering into any agreement with an interested party or a joint actor with an interested party in connection with the Offering.

The Company did not file a material change report more than 21 days before the expected closing of the Offering because the details of the participation therein by related parties of the Company were not settled until shortly prior to the closing of the Offering and the Company moved to close on an expedited basis for business reasons.

Early Warning Disclosure

Pursuant to the Offering, the Company issued 150 Units (comprising \$150,000 principal amount of Convertible Debentures and 3,000,000 Warrants) to Meteor Capital Inc., a company controlled by Mr. Gerry Hurlow, a director, the interim chief executive officer and a holder of more than 10% of the shares of the Company, directly and indirectly, for total consideration of \$150,000.

Immediately prior to the completion of the Offering, Mr. Hurlow, through Meteor Capital Inc. had ownership and/or control of 4,655,894 Common Shares on an undiluted basis and 6,077,442 Common Shares of the Company on a partially diluted basis, representing 8.0% of the issued and outstanding Common Shares of the Company on an undiluted basis and 18.4% on a partially diluted basis.

Following the completion of the Offering, Mr. Hurlow continued to have ownership and/or control of 4,655,894 common shares of the Company, representing 8.0% of the issued and outstanding shares of the Company on an undiluted basis. Assuming the exercise of the Convertible Debentures and the Warrants issued in connection with the Offering and the other convertible securities of the Company held, directly or indirectly by Mr. Hurlow, Mr. Hurlow would have ownership and/or control, directly or indirectly, of 12,077,442 common shares of the Company, representing 18.4% of the issued and outstanding shares of the Company on a partially diluted basis.

Mr. Hurlow's acquisition of the Units was made for investment purposes and Mr. Hurlow intends to increase or decrease his holdings in the Company depending on market conditions and as circumstances warrant.

A report respecting this acquisition will be filed with the applicable securities commissions using the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) and will be available for viewing on the Company's profile at www.sedar.com.

This press release is not an offer to sell or the solicitation of an offer to buy the securities in the United States or in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to qualification or registration under the securities laws of such jurisdiction. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and such securities may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from U.S. registration requirements and applicable

About Jasper Commerce Inc.

Jasper offers a Product Information Management ("**PIM**") solution that has the objective of empowering eCommerce merchants to manage and merchandise their products from a single source of truth, facilitating them to sell more, sell faster and work smarter. Jasper's PIM is accessible from anywhere via a web-browser and is intended to simplify the process by which online merchants import product data into the PIM. Once uploaded, merchants can add various product data including product attributes, images, videos, marketing information, inventory quantities and price books and efficiently merchandise their products using various features that include, among other things, the ability to adjust product categorization, pricing data and other key metrics. Jasper's PIM also allows for automatic syncing to popular eCommerce storefronts, marketplaces, or other connected channels, whenever new products are added to the PIM.

Neither 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.

Forward Looking Statements

This news release contains projections and forward-looking information that involve various risks and uncertainties regarding future events. Such forward-looking information can include statements based on current expectations involving several risks and uncertainties without limitation and are not guarantees of the Company's future performance. Actual results and future events could differ materially from those anticipated in such information. These statements are based upon the current expectations and beliefs of management and are subject to certain risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. These risks and uncertainties include, but are not limited to: the Company may not receive conditional or final approval of the TSXV for the Offering; the Offering may not close on or around the intended date; the Offering may not proceed as planned; the Company may not use the proceeds of the Offering as intended; the market for product information management systems may not continue to grow as expected; and the uncertainty surrounding the spread of COVID-19 and the impact it will have on the Company's operations and economic activity in general; and the risks and uncertainties discussed in the Company's most recent annual and quarterly reports filed with the Canadian securities regulators and available on the Company's profile on SEDAR at www.sedar.com, which risks and uncertainties are incorporated herein by reference. Readers are cautioned not to place undue reliance on forward-looking statements. Except as required by law, the Company does not intend and undertakes no obligation to update any forward-looking statements to reflect, in particular, new information or future events.

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