

Hank Payments Provides Transaction Update and Announces Equity Financing and Shares for Debt Transaction

Toronto, Ontario--(Newsfile Corp. - January 23, 2025) - **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 wishes to provide additional information in respect of its previously announced acquisition of 100% of the shares of FUTR Inc. (the "**Target**"), a private technology company on August 20 and 29, 2024 (the "**Acquisition**"). The parties have now settled the definitive purchase agreement and are prepared to close on or about January 29, 2025.

The Target will allow Hank to consume and store key customer data in a SOC 2 compliant and encrypted platform. This automates key compliance and KYC work for Hank while also providing value added digital vaults to the consumers to store critical personal documents such as loans, leases, insurance and other relevant documents relating to the consumer's financial journey. The Company is developing additional plans and applications for the platform and will provide further updates as warranted.

The principal terms of the Acquisition remain the same as previously disclosed, with the following additional information being provided:

- as consideration for the purchase of all of the outstanding shares of the Target, it is expected that Hank will issue 172,949,626 common shares of Hank, which equates to a total equity value for the Target of approximately Cdn\$8.6 million at a per share value of \$0.05 per share;
- no one new shareholder or related entity will own directly or indirectly greater than 10% of Hank post completion of the Acquisition;
- Hank will assume the Target's liability of (i) \$1M owed to its parent, which will be repaid beginning on August 1, 2025 in the amount of \$16,667 per month until repaid, without accruing any interest and (ii) Cdn\$130,000 promissory note owed to its parent coming due on July 2nd, 2026 and accruing interest at 18% a year;
- the Target will also have Cdn\$260,000 in cash that will be assumed by Hank as part of the Acquisition
- Clarus Securities Inc., acted as advisor in connection of the Acquisition and will be paid an advisory fee of \$216,250, which will be settled by way of issuance of 4,325,000 common shares of Hank on closing at a per share value of \$0.05 per share; and
- all shares issued pursuant to the Acquisition are subject to a contractual lock-up and leak-out agreement whereby the shares will be released as to 1/3 on July 1, 2025, January 1, 2026 and July 1, 2026. The first 1/3 can be released earlier than July 1, 2025 if the common shares of Hank trade on the TSX Venture Exchange (or other recognized stock exchange) for 10 consecutive trading days at a volume weighted average price of \$0.10 per share or greater, subject to the Board of Directors concluding in their sole discretion, such release will not materially impact the then stock price and trading activity beyond what would be expected given such a release from escrow.

Immediately prior to completion of the Acquisition, Hank will issue an aggregate of 14,898,420 common shares to the arm's length holders of convertible debentures that were issued on November 2, 2024 in the amount of \$744,921 (the "**Debentures**"), which will automatically convert pursuant to their terms at a price of \$0.05 per share. The Company will also repay the interest owing on the Debentures in cash upon conversion.

The Company also intends to complete a non-brokered private placement (the "**Placement**") offering of 11,666,667 common shares ("**Shares**") at a price of \$0.03 per Share for the aggregate principal amount of \$350,000. The Company expects to close the Placement prior to completion of the Acquisition. It is expected that the proceeds of the Placement will be used for debt repayment and working capital purposes. Shares issued pursuant to the Placement will be subject to a statutory four-month and one day hold period from the date of closing.

The Company is also pleased to announce agreements with certain creditors for the settlement of amounts owing in the aggregate amount of \$461,675 in exchange for the issuance of an aggregate of 13,764,163 shares (the "**Debt Settlements**"). The Debt Settlements are also expected to close prior to completion of the Acquisition. The Debt Settlements include shares issued for \$195,745 (6,591,508 shares) and \$143,345 (4,760,895 shares) of principal and interest owed to arm-length and related parties respectively. Further fees owed to former directors of the Company and arms-length parties of \$85,588 (1,711,760 shares) and \$35,000 (700,000 shares) are included in the Debt Settlements.

The Debt Settlements include the settlement of an aggregate of \$143,342 with three of the Company's management and board members (the "**Related Creditors**") in exchange for the issuance of an aggregate of 4,760,895 Debt Shares. The issuance of the Debt Shares to the Related Creditors constitutes a "related party transaction" as this term is defined in Multilateral Instrument 61-101: Protection of Minority Securityholders in Special Transactions ("**MI 61-101**"). The independent directors of the Company, acting in good faith, determined that the fair market value of the Debt Shares being issued pursuant to the shares for debt transaction and the consideration being paid is reasonable. The Company intends to rely 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) of MI 61-101 as neither the fair market value of the Debt Shares nor the debt exceeds 25% of the Company's market capitalization. All securities issued pursuant to the Debt Settlements are subject to a four-month and one day hold period from the date of closing.

The securities offered pursuant to the Placement and the Debt Settlements 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.

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. 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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