

**FORM 51-102F3**  
**MATERIAL CHANGE REPORT**

**Item 1. Name and Address of Company**

Hank Payments Corp. (the "**Company**" or "**Hank**")  
66 Wellington Street West, Suite 4100  
P.O. Box 35 TD Bank Tower  
Toronto, ON M5K 1B7

**Item 2. Date of Material Change**

December 16, 2022

**Item 3. News Release**

Press release issued by the Company on December 16, 2022 in respect to the material change referred to in this report via a Canadian news wire service, a copy of which has been filed via SEDAR.

**Item 4. Summary of Material Change**

**Item 5. Hank Payments Corp. ("Hank" or the "Company")** (TSXV: HANK), a North American leader in consumer Fintech Software-as-a-Service (SaaS) that provides a platform that manages consumer cash flow and budgets on an automated basis using proprietary algorithms. Hank is pleased to announce it has closed a non-brokered private placement financing of 700 units, ("**Unit**") for total gross proceeds of \$700,000 (the "**Offering**").

**Item 6. Full Description of Material Change**

On December 16, 2022, the Company announce it has closed a non-brokered private placement financing of 700 units, ("**Unit**") for total gross proceeds of \$700,000 (the "**Offering**").

Each Unit consists of one \$1,000 secured convertible debenture ("**Debentures**") and 3,333 common share purchase warrants ("**Warrant**"). The Debentures mature on and become payable on December 16, 2027 (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 \$0.35. Each

Warrant entitles the holder to purchase one common share of the Company at an exercise price of \$0.10 per common share until December 16, 2024.

The use of proceeds from the Offering will principally be to expand the Company's portfolio of clients and for general working capital.

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. While the Company is offering a seven percent cash and seven percent warrant to brokers, no finder's fees or commissions were paid in connection with the first tranche of the Offering.

All securities issued pursuant to the Offering are subject to a statutory hold period ending April 17, 2023. 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.

Hank also granted a total of 200,000 options of Hank, with an exercise price of \$0.10 and an expiry date of November 29, 2024, to its two independent directors and issued 100,000 options, with an exercise price of \$0.10 and an expiry date of December 1, 2024, and 50,000 restricted share units to an executive. The options and RSUs are subject to the standard provisions of the Hank's equity incentive plan.

**Item 7. Reliance on subsection 7.1(2) of National Instrument 51-102**

Not Applicable.

**Item 8. Omitted Information**

No information has been omitted from this material change report.

**Item 9. Executive Officer**

The following senior officer of Hank Payments Corp. is knowledgeable about the material change and the Report and may be contacted as follows:

Michael Hilmer, CEO  
Telephone: 416 420-5529

**Item 10. Date of Report**

December 20, 2022