



Everyday People Financial Secures C\$5.9 Million in Debt Financing

Edmonton, Alberta -- Newsfile Corp. -- December 02, 2022 -- Everyday People Financial Corp. (TSX-V: EPF) (“Everyday People” or the “Company”), a Canadian-based financial technology and consumer financing company, is pleased to announce that the Company has entered into two new credit arrangements totalling C\$5.9 million to be used in part, toward the proposed acquisition of General Credit Services Inc. (“GCS”), as further described in the news release of the Company dated September 19, 2022, and for financing the purchase of eligible residential properties for Everyday People Homes Inc.’s (“EP Homes”) Bridge to Homeownership Program. The proposed acquisition of GCS remains subject to the entering into of a definitive agreement.

“We’re ready to grow and scale, and this new capital is an important step towards advancing the proposed acquisition of GCS and furthering our long-term business objectives for EP Homes’ Bridge to Homeownership Program,” said Barret Reykdal, CEO of Everyday People.

GCS, whose oldest legacy company has been in continuous operation since 1967, has a diverse client base from multiple verticals, including financial & banking, credit unions, telecom & utilities, commercial/B2B, insurance, construction, property management, commercial leasing, auto finance, advertising & media, healthcare, transport & logistics, manufacturing, technology and legal services, crown corporations and all levels of government. GCS’ digital eco-system for client and consumer experience is anticipated to enhance Everyday People’s vertically integrated and community-minded approach to consumer financial services.

EP Homes’ Bridge to Homeownership Program is an alternative path to homeownership for those who may not have enough money saved for a down payment, are new to Canada, are self-employed, or are unable to secure a traditional mortgage to buy a house. EP Homes is a division of Everyday People and partners with homebuilders across Canada to make homeownership a reality for everyday people.

ATB Loan Details

BPO Collections Limited, a subsidiary of Everyday People, and GCS (collectively, the “ATB Borrower”) have entered into a commitment letter with ATB Financial (“ATB”), pursuant to which ATB has agreed to make available a non-revolving reducing facility of C\$1.9 million to the ATB Borrower (the “ATB Loan”).

The ATB Loan is to be used to as a component of the agreed purchase of 100% of the shares of GCS by Everyday People. Interest on the ATB Loan is payable at a rate of prime plus 2.00% per annum. The ATB Loan may be prepaid in whole or in part at any time (subject to set notice periods) without penalty. The ATB Loan is payable in full two years from the date of advance (the “ATB Loan Maturity Date”). The ATB Borrower is required to make blended payments of \$259,230 per quarter on the last day of each quarter commencing the quarter end following advance, to be applied at ATB’s option firstly to accrued interest and secondly to principal, with the balance of all amounts owing under the ATB Loan being due and payable in full on the ATB Loan Maturity Date.

The ATB Loan will be secured by a general security agreement from the ATB Borrower providing, subject to permitted encumbrances, a first-ranking security interest over all present and after acquired personal property and receivables. The ATB Loan is also guaranteed by Everyday People and EP Homes IV Inc.

Availability of the ATB Loan is subject to the satisfaction of a number of conditions precedent, including confirmation of the closing of the proposed acquisition of GCS by Everyday People.

EAM Loan Details

Everyday People has entered into a commitment letter with EAM Enterprises Inc. (“**EAM**”), the principal shareholder of Everyday People, pursuant to which EAM has agreed to lend up to C\$4.0 million to Everyday People (the “**EAM Loan**”).

The purpose of the EAM Loan is to provide acquisition financing and financing for the purchase of eligible residential properties for EP Homes’ Bridge to Homeownership Program. The EAM Loan provides for advances up to a maximum total loan commitment of C\$4.0 million. Interest on each advance is payable at a rate of 12% per annum calculated from the date funds are advanced to Everyday People.

The term of each advance shall be two years, and the maturity date shall be two years from the date of each loan advance. Advances and any outstanding interest may be pre-paid in full or in part at any time prior to the maturity date, provided that Everyday People pays an additional three months of interest on the amount pre-paid.

Funds advanced are to be guaranteed by Everyday People Investments Inc., a subsidiary of Everyday People, and each affiliate of Everyday People acquiring residential properties in connection with an advance. In the event that EAM is providing 100% financing for the purchase of an eligible residential property, a first priority mortgage, together with a first priority assignment of rents, leases and contracts, shall be registered against the property in favour of EAM. In the event that a senior first priority lender is providing financing for the purchase of an eligible residential property and EAM is providing a portion of the financing, a second priority mortgage, together with a second priority assignment of rents, leases and contracts, shall be registered against the property in favour of EAM, subject only to the first priority mortgage and assignment of rents and leases in favour of the senior first priority lender.

EAM has previously advanced \$3.0 million under a promissory note that has a term of two years, with a maturity date of June 30, 2024. The promissory note bears an interest rate of 12% per annum, with interest payments to be paid monthly that commenced July 1, 2022. With the additional \$4.0 million, this would bring the total up to \$7.0 million being provided to the Company from EAM.

Each advance under the EAM Loan is subject to the satisfaction of a number of conditions precedent.

EAM is a related party of the Company. As such, the EAM Loan constitutes a “related party transaction” for the purposes of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). The Company is exempt from the requirements to obtain a formal valuation or minority shareholder approval in connection with the EAM Loan in reliance on sections 5.5(b) and 5.7(1)(f), respectively, of MI 61-101, as no securities of the Company are listed or quoted on the specified markets and the EAM Loan was obtained by the Company from a related party on reasonable commercial terms that are not less advantageous to the Company than if the EAM Loan were obtained from a person dealing

at arm's length with the Company, and the EAM Loan, or each advance thereunder, is not convertible, directly or indirectly, into equity or voting securities of the Company or a subsidiary entity of the Company, or otherwise participating in nature, or repayable as to principal or interest, directly or indirectly, in equity or voting securities of the Company or a subsidiary entity of the Company.

About Everyday People Financial Corp.

Everyday People is a financial technology and consumer financing company founded on the belief that everyone deserves access to credit, instant payments and the opportunity for homeownership. Through our technology driven ecosystem, our alternative and specialty credit financing programs offer credit and payment cards, prepaid card programs, homeownership facilitation, consumer lending, and payment management services. Our mission is to help our clients be their best financial selves and our goal is to offer the kinds of credit products and services that help everyday people add extraordinary value to their everyday lives. For more information visit: www.everydaypeoplefinancial.com.

Contact

Barret Reykdal
Chief Executive Officer
letsconnect@epfinancial.ca
1 888 825 9808

Caroline Sawamoto
Investor Relations
letsconnect@epfinancial.ca
1 888 825 9808

Cautionary Note Regarding Forward-Looking Statements

This news release includes certain "forward-looking statements" or "forward-looking information" (collectively referred to hereafter as "forward-looking statements") under applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, statements with respect to the structure and terms of the proposed acquisition of GCS, the ability of the parties to negotiate and enter into a definitive agreement in respect of the proposed acquisition of GCS, the ability of the Company to complete the proposed acquisition of GCS on the terms announced or at all, the terms and conditions of the ATB Loan and the EAM Loan, the use of proceeds of the ATB Loan and the EAM Loan and the business, plans and operations of the Company. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to, the negotiation of the definitive agreement in respect of the proposed acquisition of GCS on satisfactory terms, the timely receipt of all required third party and regulatory approvals, including the acceptance of the TSX Venture Exchange, the inability to satisfy the conditions required to complete the proposed acquisition of GCS, termination of any definitive agreement in respect of the proposed acquisition of GCS, the ability of the Company to satisfy conditions precedent under the ATB Loan and the EAM Loan, the ability of the Company to comply with the terms and conditions of the ATB Loan and the EAM Loan, expectations and assumptions concerning the Company as well as other risks and uncertainties, including those described in the filing statement of the Company dated July 27, 2022, which is available on SEDAR at www.sedar.com. There can be no assurance that such statements will prove to be accurate, as actual results and future events could

differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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.