

OFFERING MEMORANDUM

DATE JULY 29TH, 2019

PRESENTATION UPDATED MARCH 1ST, 2020

INVESTOR PRESENTATION



FORWARD LOOKING INFORMATION AND STATEMENTS

THIS PRESENTATION CONTAINS CERTAIN STATEMENTS THAT MAY BE "FORWARD-LOOKING STATEMENTS" OR "FORWARD-LOOKING INFORMATION" WITHIN THE MEANING OF APPLICABLE CANADIAN SECURITIES LAWS. FORWARD-LOOKING STATEMENTS ARE STATEMENTS THAT CONTAIN FORWARD-LOOKING INFORMATION AND ARE NOT HISTORICAL FACTS AND ARE OFTEN, BUT NOT ALWAYS, IDENTIFIED USING WORDS OR PHRASES SUCH AS "EXPECTS", "PLANS", "ANTICIPATES", "INTENDS", "ESTIMATES", "ESTIMATED", "PROJECTS", "POTENTIAL" AND SIMILAR EXPRESSIONS, OR STATING THAT CERTAIN ACTIONS, EVENTS OR CONDITIONS "WILL", "WOULD", "MAY", "MIGHT", "COULD" OR "SHOULD" OCCUR OR BE ACHIEVED OR OTHER SIMILAR TERMINOLOGY. IN PARTICULAR, BUT WITHOUT LIMITING THE FOREGOING, THIS PRESENTATION CONTAINS FORWARD-LOOKING STATEMENTS OR INFORMATION PERTAINING TO, AMONG OTHER THINGS: THE USE OF THE PROCEEDS FROM THE ISSUANCE OF BONDS BY YESTERPAY; AND THE ANTICIPATED TIMELINES IN RESPECT OF RAISING FUNDS PURSUANT TO THE OFFERING. THIS FORWARD-LOOKING INFORMATION AND THE RELATED STATEMENTS ARE BASED UPON FACTORS, EXPECTATIONS AND ASSUMPTIONS REFLECTED IN THE FORWARD-LOOKING STATEMENTS THAT ARE REASONABLE AT THIS TIME BUT NO ASSURANCE CAN BE GIVEN THAT THESE FACTORS, EXPECTATIONS AND ASSUMPTIONS WILL PROVE TO BE CORRECT.

WITH RESPECT TO THE FORWARD-LOOKING STATEMENTS AND INFORMATION CONTAINED IN THIS PRESENTATION, YESTERPAY HOLDINGS INC. (THE "CORPORATION") HAS MADE ASSUMPTIONS REGARDING, AMONG OTHER THINGS: THAT THE CORPORATION WILL CONTINUE TO CONDUCT ITS OPERATIONS IN A MANNER CONSISTENT WITH PAST OPERATIONS; THE CORPORATION AND CAPITALNOW INC. ("CNI") MAY INTRODUCE NEW PRODUCTS AND SERVICES AS THE MARKET DICTATES; THE GENERAL CONTINUANCE OF CURRENT OR, WHERE APPLICABLE, ASSUMED INDUSTRY CONDITIONS; AVAILABILITY OF SOURCES TO FUND THE CORPORATION'S AND CNI'S CAPITAL AND OPERATING REQUIREMENTS AS NEEDED; THE ABILITY OF THE CORPORATION TO ATTRACT SUBSCRIBERS; THE AVAILABILITY OF QUALITY CREDIT RECEIVABLES FOR CNI'S BUSINESS; NO CHANGES TO THE CURRENT TAXATION REGIME THAT MAY IMPACT ANY DEFERRED PLAN CAPITAL RAISED BY THE CORPORATION; THAT CNI AND THE CORPORATION'S LENDER WILL ACT IN A COMMERCIALY REASONABLE MANNER AND CERTAIN OTHER COST ASSUMPTIONS. ALTHOUGH THE CORPORATION BELIEVES THE EXPECTATIONS EXPRESSED IN SUCH FORWARD-LOOKING STATEMENTS AND INFORMATION ARE BASED ON REASONABLE ASSUMPTIONS, SUCH STATEMENTS ARE NOT GUARANTEES OF FUTURE PERFORMANCE AND ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THOSE IN FORWARD LOOKING STATEMENTS. FORWARD-LOOKING STATEMENTS AND INFORMATION ARE BASED ON THE BELIEFS, ESTIMATES AND OPINIONS OF THE CORPORATION'S MANAGEMENT ON THE DATE THE STATEMENTS ARE MADE. EXCEPT AS REQUIRED BY LAW, THE CORPORATION UNDERTAKES NO OBLIGATION TO UPDATE THESE FORWARD-LOOKING STATEMENTS IN THE EVENT THAT MANAGEMENT'S BELIEFS, ESTIMATES OR OPINIONS, OR OTHER FACTORS, SHOULD CHANGE.

THE FORWARD-LOOKING INFORMATION AND STATEMENTS INCLUDED IN THIS PRESENTATION ARE NOT GUARANTEES OF FUTURE PERFORMANCE AND SHOULD NOT BE UNDULY RELIED UPON. SUCH INFORMATION AND STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS THAT MAY CAUSE ACTUAL RESULTS OR EVENTS TO DIFFER MATERIALLY FROM THOSE ANTICIPATED IN SUCH FORWARD-LOOKING INFORMATION AND STATEMENTS INCLUDING, WITHOUT LIMITATION: GENERAL ECONOMIC, MARKET AND BUSINESS CONDITIONS; ABSENCE OF REVIEW BY ANY SECURITIES REGULATORY AUTHORITY OR REGULATOR; ABSENCE OF DEPOSIT INSURANCE; THE CORPORATION'S LIMITED WORKING CAPITAL; REDEMPTION RISK; REDEMPTION LIMITATION; TAX RISK; CHANGES IN TAX LAWS; ABSENCE OF ANY ADVANCED TAX RULING; POTENTIAL CHANGES OF DIRECTORS, ABSENCE OF VOTING RIGHTS ATTACHED TO THE BONDS; LACK OF TRUSTEE IN CONNECTION WITH THE BONDS; CONFLICTS OF INTEREST; CHANGES IN PORTFOLIO RESULTING FROM INDUSTRY CHANGE; TERMS OF THE LOAN AGREEMENT BETWEEN CNI AND THE CORPORATION; TERMS OF THE LINE OF CREDIT; ABSENCE OF MANAGEMENT RIGHTS ATTACHED TO THE BONDS; DEBT SECURITIES; LIMITED OPERATING HISTORY; ILLIQUIDITY OF INVESTMENT; INTEREST RATE RISK; AND OTHER RISKS DESCRIBED IN ITEM 8 RISK FACTORS IN THE OFFERING MEMORANDUM.

THE FORWARD-LOOKING STATEMENTS AND INFORMATION INCLUDED IN THIS PRESENTATION ARE EXPRESSLY QUALIFIED IN THEIR ENTIRETY BY THIS CAUTIONARY STATEMENT. THE CORPORATION CAUTIONS THAT THE FOREGOING LIST OF ASSUMPTIONS, RISKS AND UNCERTAINTIES IS NOT EXHAUSTIVE. THE FORWARD-LOOKING STATEMENTS AND INFORMATION CONTAINED IN THIS PRESENTATION ARE MADE AS OF THE DATE OF THIS PRESENTATION, AND THE ESTIMATES OR OPINIONS, FUTURE CIRCUMSTANCES OR EVENTS OR OTHERWISE, EXCEPT AS EXPRESSLY REQUIRED BY APPLICABLE SECURITIES LAW. CORPORATION DOES NOT UNDERTAKE ANY OBLIGATION TO UPDATE PUBLICLY OR TO REVISE ANY OF THE INCLUDED FORWARD-LOOKING STATEMENTS OR INFORMATION, WHETHER AS A RESULT OF NEW INFORMATION, CHANGE IN MANAGEMENT'S

NOTE REGARDING INDUSTRY INFORMATION

In certain sections of this Presentation, including without limitation the slides on the history of factoring and the world wide factoring market, the Corporation provides certain historical, market and industry data and forecasts that were obtained from third-party sources, industry publications and publicly available information as well as industry data prepared by management on the basis of its knowledge of the factoring transaction industry in which the Corporation operates (including management's estimates and assumptions relating to the industry based on that knowledge). This third-party source information is derived from publicly available information sources that the Corporation believes are predominantly independent in nature. Historically, market and industry data and forecasts generally state that they have been obtained from sources believed to be reliable, although they do not guarantee the accuracy or completeness of such information. The Corporation believes that the provision of this third-party source information is relevant to the Corporation's activities, given its credit receivables interests and operations (either ongoing or planned) in the areas in question, however, readers are cautioned that there is no certainty that any of the Corporation's activities in these areas will be successful to the extent in which operations in the areas in which the third-party source information is derived from were successful, or at all. Further, estimates of historical growth rates in the market where we operate are not necessarily indicative of future growth rates in such markets.

PRESENTATION
INFORMATION

THIS PRESENTATION IS FOR INFORMATION PURPOSES AND DOES NOT CONSTITUTE AN OFFER TO SELL OR SOLICITATION OF AN OFFER TO BUY THE SECURITIES REFERRED TO HEREIN.

THIS MATERIAL IS IN NO WAY A COMPLETE OR FINAL DESCRIPTION OF THE YESTERPAY HOLDING INC. BOND OFFERING AND IS IN ALL RESPECTS SUBJECT TO THE PROVISIONS OF THE CURRENT OFFERING MEMORANDUM.

A copy of the offering memorandum can be obtained at:
www.yesterpay.com

For further inquiries please contact your Investment Advisor

Thank you for your time.



YESTERPAY BOND SERIES

| Bond | Interest Rate | Term | Interest Payment | Principal Payment |
|----------|-------------------------------|---------|-----------------------|-------------------|
| Series C | 6.5% | 1 year | Paid Monthly | On Maturity |
| Series D | 7.5% | 2 years | Paid Monthly | On Maturity |
| Series E | 8.5% | 3 years | Paid Monthly | On Maturity |
| Series F | 8.5% (Effective Rate 9.6%) | 3 years | Compounded Monthly | On Maturity |

Note #1

The investor pays no management fees associated with the purchase or annual administration of the bonds.

Note #2

There are a number of risks associated with this investment, any one of which could adversely affect an investor's return on investment in these securities. These risks are set out in the current offering memorandum of Yesterpay Holdings Inc. and incorporated by reference herein. Investors should review these risks with their legal and financial advisor prior to investing.

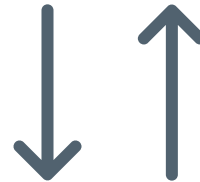


THE RELATIONSHIP BETWEEN YESTERPAY & CAPITALNOW

PROPRIETARY & CONFIDENTIAL INFORMATION

yesterpay**HOLDINGS** 

yesterpay**HOLDINGS** 



 **CAPITAL NOW**

- Yesterpay was **created** to provide a **secure, diversified and scalable source of funds** to enable the growth of CapitalNOW
- Yesterpay raises these funds and lends them to CapitalNow through a secured loan agreement
- CapitalNow pays for this loan with income generated from operations
- Yesterpay and CapitalNow - have some common officers, directors and shareholders

CAPITALNOW'S CORPORATE HISTORY

PROPRIETARY & CONFIDENTIAL INFORMATION



- **Corporate History**
 - Established 2007
- **C. Gerry Wawzonek – BA, CAEF* (CEO/President)**
 - 15 years accounts receivable financing in Calgary
 - 15 years as mortgage broker, including CIBC and HSBC
 - Certified IFA member for 11 years
 - CAEF Designation as of 2018 (2 of 3 in Canada)
- **Natalie K. Wawzonek – CAEF* (COO)**
 - 15 years accounts receivable financing in Calgary
 - 10 years sales executive in the real estate industry
 - Certified IFA member for 11 year
 - CAEF Designation as of 2018 (2 of 3 in Canada)
- **Strong Business Performance – NOTE 3**
 - At the end of September 2019, over 32,400 successful transactions worth over \$231M since inception
 - Supported over 100+ clients (suppliers) and 1500+ of their customers
 - Proven risk and exposure management practices
 - Revolving Line of Credit from Canadian Western Bank
 - All investor requests for redemptions have been accommodated
 - To date, all interest payments have been made to investors



CAEF: CERTIFIED ACCOUNT EXECUTIVE IN FACTORING
IAF: INTERNATIONAL FACTORING ASSOCIATION

HOW ACCOUNTS RECEIVABLE FACTORING WORKS



■ Account Receivable Financing (Factoring)

- Helps small to medium size businesses bridge their cash flow challenges that occur when they sell their goods/services to customers who make them wait 30 to 90 days to get paid
- CapitalNow **buys** their **invoices/assets** (credit receivables) providing immediate financing for a fee



■ Marketplace and Industries

- Western Canadian Focused
- Oil and Gas, Construction
- Oil Field Services
- Specialty Trucking, Welding
- Manufacturing, Fabrication



■ Key Business Metrics – Note 3

- Average Invoice Size: \$6,791
- CapitalNow's Average Days to Receipt: 55



Invoices = Assets

Factoring is not a new idea...3800 Years of History

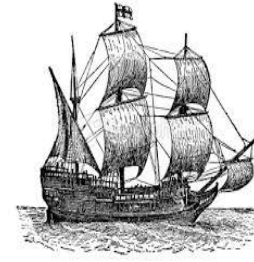
HOW ACCOUNTS RECEIVABLE FACTORING WORKS.... (CONTINUED)



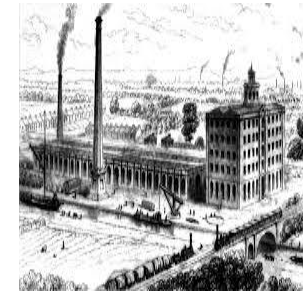
Mesopotamian King Hammurabi establishes a form of factoring.



Factoring supports extensive grain export trade in Spain and Italy.



Goods and materials from English colonists are factored during trip across the ocean.



During Industrial Revolution, garment and textile industries depend on factoring.



Modern Industries and economies rely on factoring to drive revenue and growth.

1792 BC

1300s

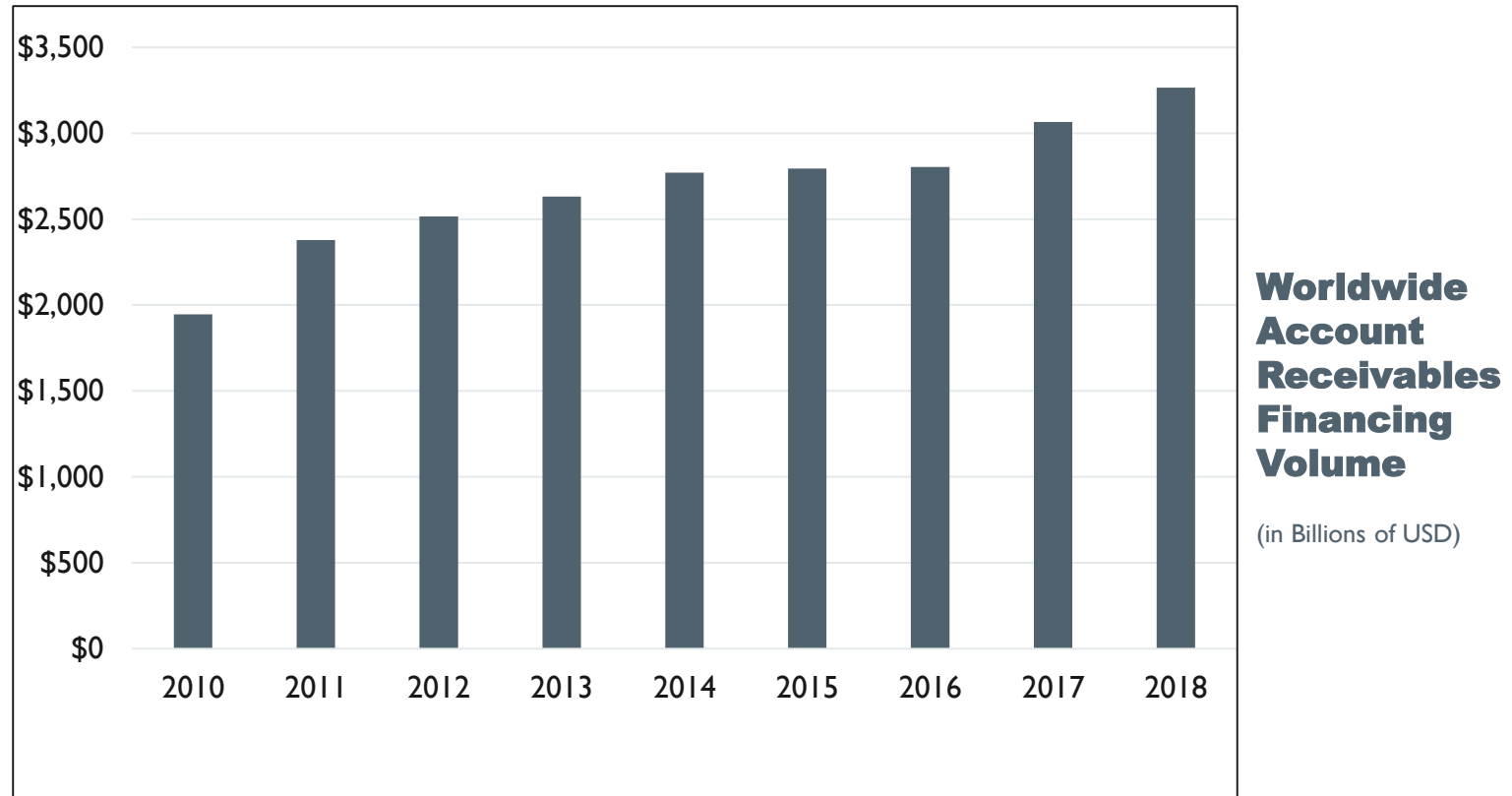
1600s

1800s

Present

- In Canada, National Bank, HSBC and Bibby are some of the largest Accounts Receivable Financing companies
- Visa, Amex, Mastercard are some of the worlds largest Accounts Receivable Financing companies

ACCOUNTS RECEIVABLES FINANCING INDUSTRY



- **Worldwide factoring market has grown on average 7.5% per year since 2010**
- **The North America Marketplace (Canada and US) – represents 3.5%**

ECONOMIC TRIGGERS

PROPRIETARY & CONFIDENTIAL INFORMATION



- When the economy is **down**....
 - Companies are in survival mode
 - Sources of capital dry up
 - Customers want longer terms
 - **Rely on Receivables Financing**

- When the economy is **up**....
 - Companies are in growth mode
 - Need more capital
 - Require money quickly
 - **Rely on Receivables Financing**



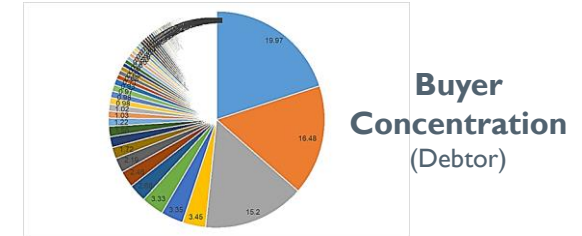
KEY STRATEGIES TO MANAGE RISK & EXPOSURE

UTILIZED BY CAPITALNOW

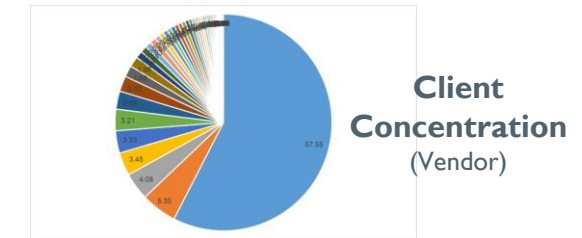
PROPRIETARY & CONFIDENTIAL INFORMATION



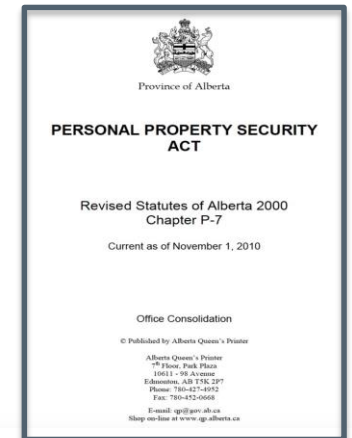
- **Key Strategies Utilized to Mitigate Risk**
 - Keep size of transaction small
 - Keep timeframe of transaction short
 - Know the process, procedures and players
 - Buy invoices from quality “buyers/debtors”
 - Concentration and Exposure Management



- **Follow the Law**
 - **Personal Property Security Act of Alberta** (see slide 28)



- **Business Results - NOTE 5**
 - CapitalNow’s annual loss ratio for Fiscal 2018 was **0.47%**
 - IFA average annual loss ratio for all factors in 2018 was **0.9%**
 - IFA average annual loss ratio for factors within our segment in 2018 was **1.4%**
 - At the end of September 2019, cumulative Loss Ratio, from inception, was **0.50%** on \$23 IM+ of transactions



WHO HAS CAPITALNOW WORKED WITH IN THE PAST?

THIS IS A SAMPLE OF THE 1500 BUYERS (DEBTORS) WE HAVE WORKED WITH OVER THE PAST 10 YEARS



CORPORATE UPDATES

DURING Q3 & Q4 FISCAL 2019

- July 29th Released our New Offering Memorandum
 - No material changes
 - A New Independent Director – Wayne Anderson MLA- Retired Alberta Legislature
 - Audited Financials Fiscal 2018 for Yesterpay & CapitalNow
 - Interim Financials to end of Q3 Fiscal 2019 are available
- Canadian Western Bank – November 4th
 - Passed our Year End Review
 - Expanded our Line of Credit by 33% to \$2M

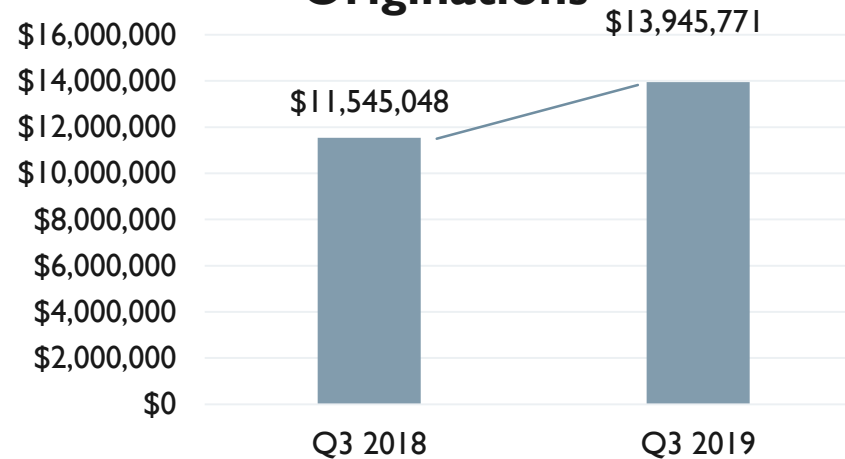
CAPITALNOW'S BUSINESS PERFORMANCE

Q3 2019 VS Q3 2018

PROPRIETARY & CONFIDENTIAL INFORMATION



Originations



Originations

- Q3 2019 originations increased 20.1% to \$13.9M.
- Factoring transactions increased 23.1% to 1,939

Revenue

- Q3 2019 revenue increased 38.9% to \$1,237,729

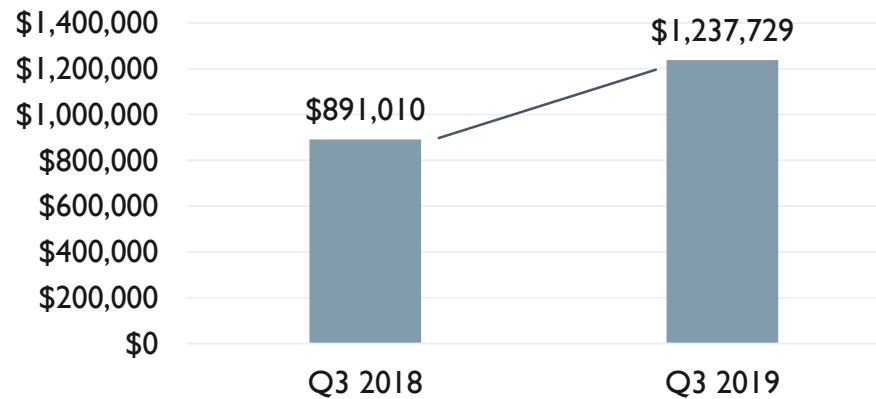
Net Income

- Q3 2019 net income increased to \$449,485
- Net profit margin for Q3 2019 was 36.3%.

Aged Receivables

- 83% in less than 90 days category vs 86% (Sept 30, 2018)
- \$53,529 in the 365+ category vs \$0 (Sept 30, 2018)
- Average days outstanding (DSO) = 55 days vs 43 days (Sept 30, 2018)

Revenue



REFERENCE NOTE 3

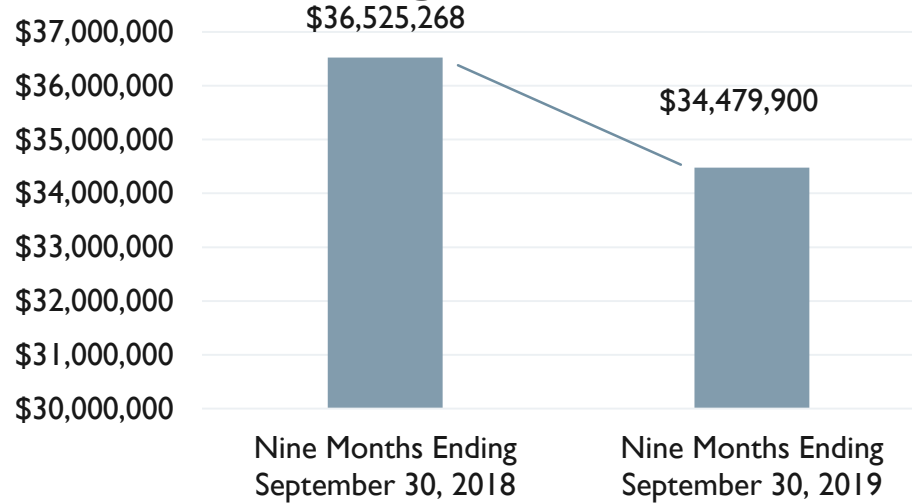
CAPITALNOW'S BUSINESS PERFORMANCE

NINE MONTHS ENDED SEPT 30, 2019

PROPRIETARY & CONFIDENTIAL INFORMATION



Originations



Origination

- Originations decreased 6% to \$34.5M.
- Factoring transactions increased 12% to 5,109

Revenue

- Revenue increased 16% to \$3,009,648

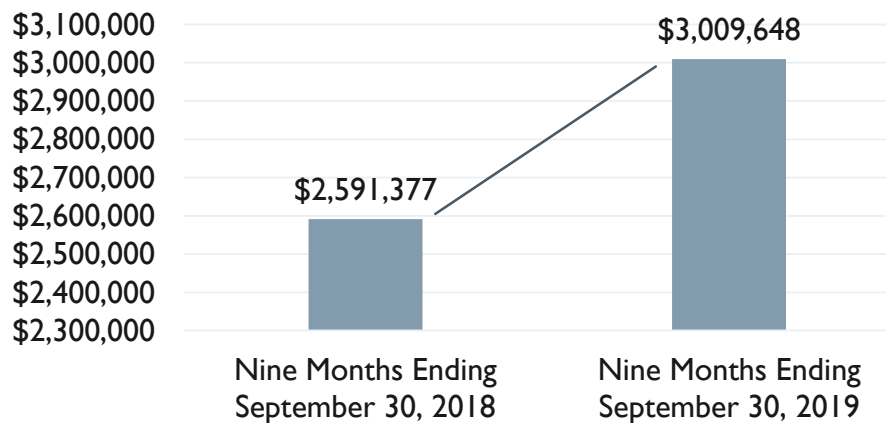
Net Income

- Net income increased to \$1,055,175
- Net profit margin for Nine Months Ended Sept 30, 2019 was 35%

Aged Receivables

- 83% in less than 90 days category
- \$53,529 in the 365+ category
- Average days outstanding (DSO) = 55 Days

Revenue

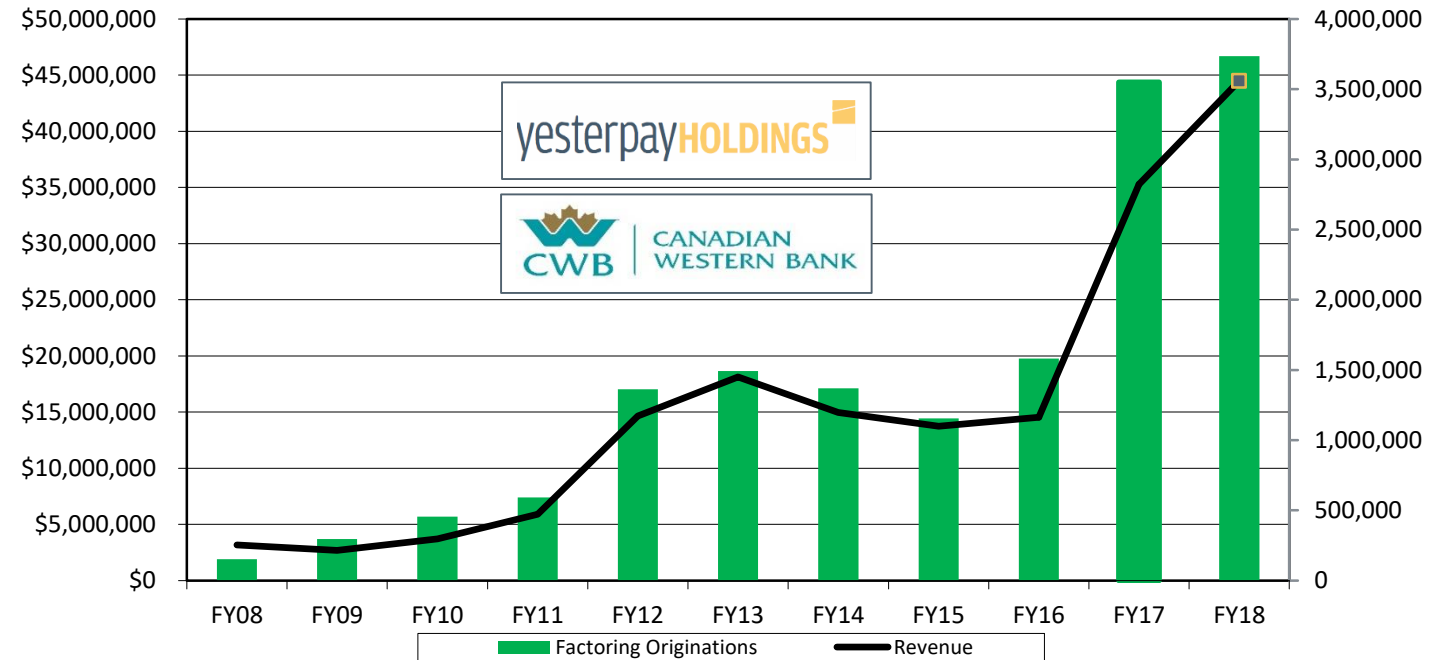


REFERENCE NOTE 3

OBJECTIVES FOR FISCAL 2020 & UPCOMING EVENTS

- Fiscal 2020 Objectives
 - Raise an additional \$5M in new capital during Fiscal 2020
- Upcoming Closes
 - January 17th, 2020
 - February 14th, 2020
 - March 20th, 2020
- Upcoming Marketing Events
 - Week of February 10th we in Vancouver and on Vancouver Island doing a roadshow and 8 events/meetings

CAPITALNOW'S BUSINESS PERFORMANCE FISCAL 2018

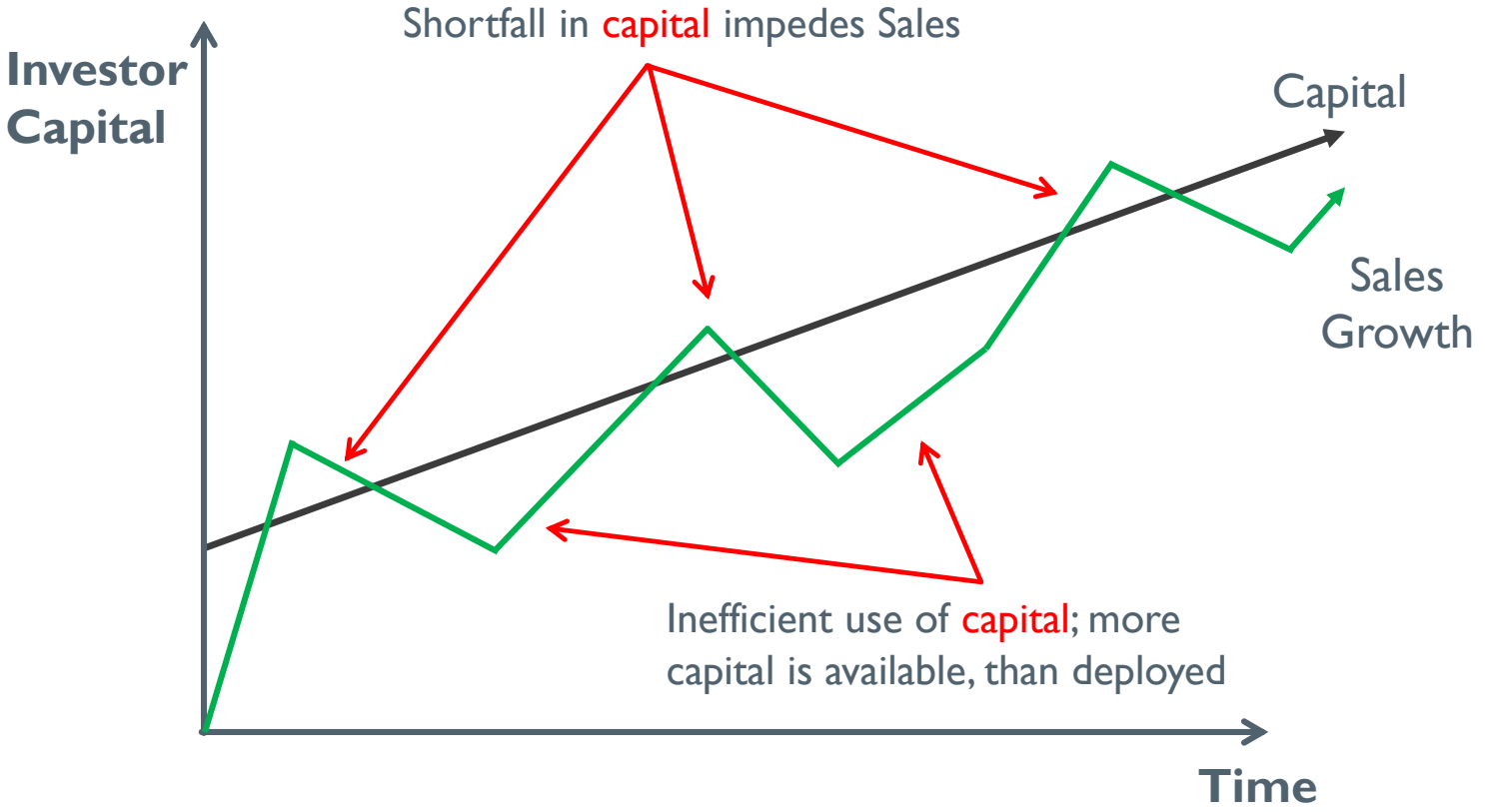


- | | |
|--|--|
| <p>Origination</p> <ul style="list-style-type: none"> • Originations increased 5% to \$46.6M over Fiscal 2017. • Factoring transactions increased 8% to 6,507 over Fiscal 2017. | <p>Net Income</p> <ul style="list-style-type: none"> ▪ Fiscal 2018 net income increased to \$872,398 over Fiscal 2017. ▪ Net profit margin for Fiscal 2018 was 25%. |
| <p>Revenue</p> <ul style="list-style-type: none"> ▪ Revenue increased 26% to \$3,560,007, over Fiscal 2017. | |

TREASURY MANAGEMENT STRATEGY

UTILIZED BY BOTH
COMPANIES

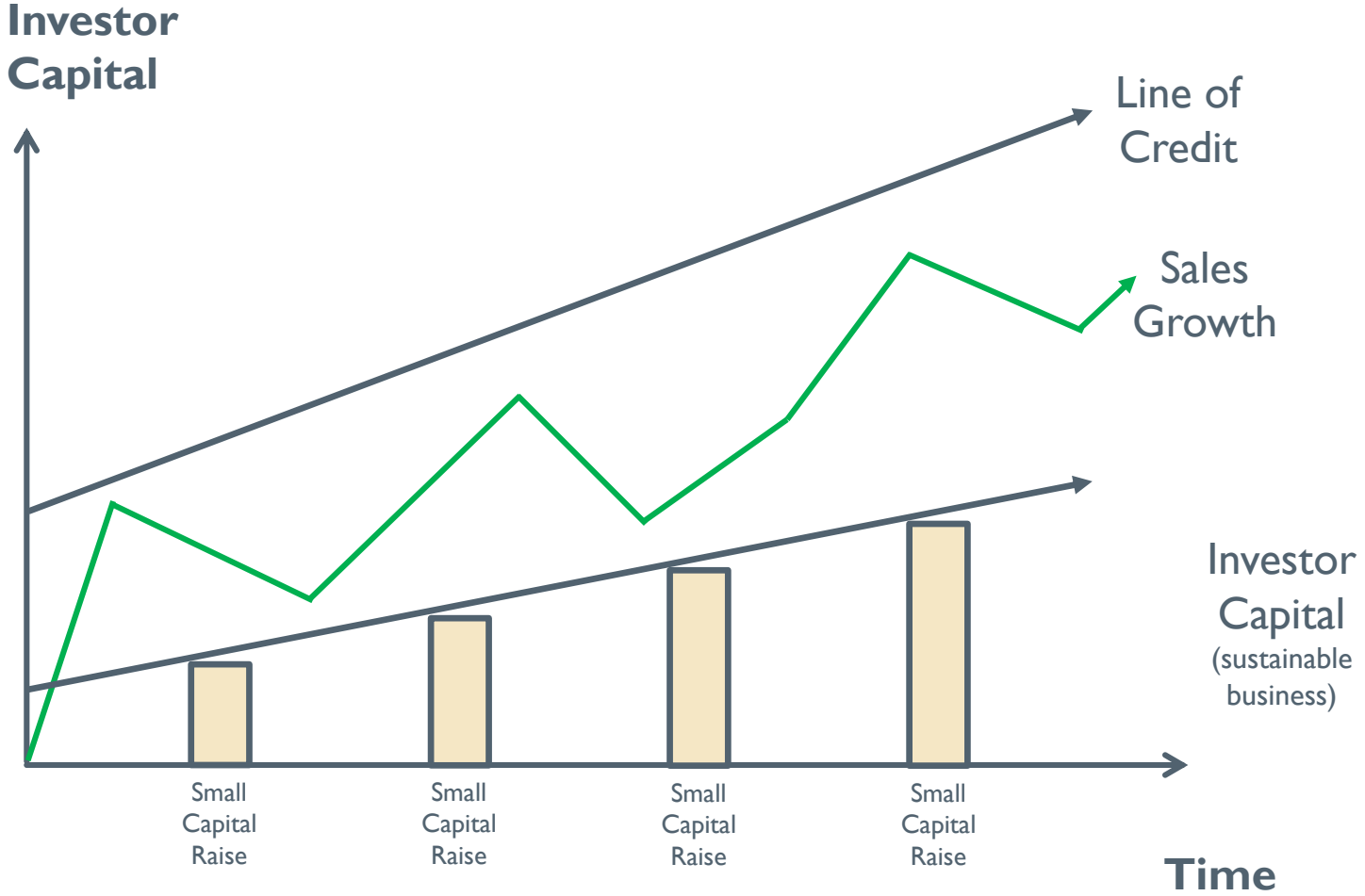
PROPRIETARY & CONFIDENTIAL INFORMATION



TREASURY MANAGEMENT STRATEGY

IMPROVING CAPITAL
UTILIZATION BY USING A
REVOLVING LINE OF CREDIT

PROPRIETARY & CONFIDENTIAL INFORMATION



TREASURY MANAGEMENT STRATEGY

IMPROVED CAPITAL
MANAGEMENT AND
GOVERNANCE BY USING
A REVOLVING LINE OF
CREDIT

- Enables efficient sales growth
- Enables efficient capital management, which improves margins
- Provides ability to absorb changes in market conditions (positive and negative)
- Simplifies treasury management from a day to day and month to month perspective
- Rigorous financial reporting, transparency and risk management
 - A Schedule I Bank, core competency is reviewing and assessing financials, risks and portfolios of a business. Both Yesterpay and CapitalNOW's financial statements, bank accounts, assets and bonds are reviewed monthly, quarterly and annually.
- Changes to the Line of Credit
 - If the Line of Credit is changed in a material manner, it would trigger an update to the Offering Memorandum
 - Loss of the of Line of Credit would have a small negative impact on the business



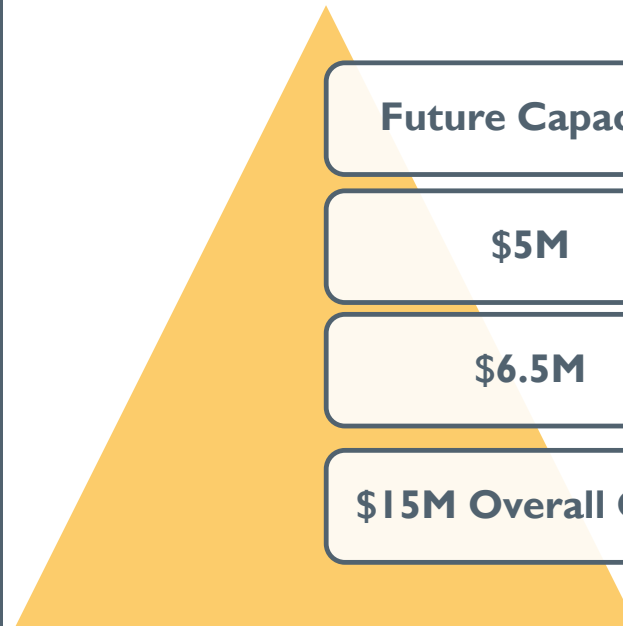
YESTERPAY HOLDINGS INCORPORATED

- Yesterpay Holdings Inc. was **created** to provide a **secure, diversified and scalable source of funds** to enable the growth of CapitalNOW
- Yesterpay raises funds and lends them to CapitalNow through a secured loan agreement
- What's Next
 - Offering Memorandum
 - Tax Deferred Plan Eligibility and Target Capital
 - Security and Governance
 - Risk Management
 - Liquidity & Early Redemption Rights
 - Investor Updates
 - Wrap Up

OFFERING MEMORANDUM

JULY 29TH, 2019

PROPRIETARY & CONFIDENTIAL INFORMATION



- **Future Capacity**
- **Next 12 Months**
- **Raised to Date**
- **Raise \$15M to Grow Business**

Key Business Facts

| | |
|----------------------------|---|
| Established | November 2012, started fundraising in 2015 |
| Securities Offered: | Fixed Rate Bonds, Tax Deferred Plan Eligible (RRSP, RRIF, TFSA, RESP) |
| Min. Subscription: | \$1,000, with \$100 increments |
| Availability: | All provinces and territories excluding Quebec |
| Auditor: | Sihota Taylor |
| Legal Counsel: | Field Law |
| Details: | www.yesterpay.com |

TAX DEFERRED ELIGIBILITY

AND

TARGET CAPITAL

Tax Deferred Eligibility Status

- Yesterpay's bonds are registered plan eligible (RRSP, RRIF, RESP, TFSA)
- This is accomplished through the ownership structure with Target Capital Inc.

Ownership Structure of Yesterpay Holding Inc.

- 60% - Target owns 60% of Yesterpay Holdings Inc.
- 40% - Gerry and Natalie Wawzonek

Target's Participation

- Target has no operational participation in Yesterpay, their role is to provide the "tax deferred eligibility status" under Canadian Law
- If we lose Target's participation, existing bondholders are not affected

Fees

- Yesterpay pays a small fee when a capital raised occurs and on an annual basis

Offering Memorandum

- For a complete description of Target's role and risks in the offering see Section 2.2 and 2.9.1 of the Offering Memorandum

SECURITY AND GOVERNANCE

TIMELY, INDEPENDENT,
ALIGNED, ACTIVE AND
OBJECTIVE

Section 2.3.3 of the Offering Memorandum

PROPRIETARY & CONFIDENTIAL INFORMATION

Canadian Western Bank (CWB)

- Largest single provider of capital, to **acquire only assets**
- Holds 1st position over all the assets of Yesterpay & CapitalNow
- Monitors both companies financials, bank accounts and portfolio of assets monthly
- Holds personal guarantees from the owners/founders of both companies
- Any material change in the Line of Credit would trigger an update to the Offering Memorandum and notification to all bondholders in Yesterpay.

Yesterpay Holding Inc

- Holds 2nd position over all of CapitalNow's Assets
- The Line of Credit with CWB is a risk to Yesterpay bondholders in a wind down scenario

CapitalNow Incorporate

- Acquires Quality Assets (invoice or credit receivables) following Canadian Law

Assets: Invoices purchased by CapitalNow for completed work

- Known as Credit Receivables under Canadian Law
- Average Size: \$6,791
- Average Hold Time: 55 days

SOURCE: RELEASE NOTES – REFERENCE NOTE 3



Invoices = Assets

**RISK
MANAGEMENT
STRATEGY
UTILIZED BY:
YESTERPAY HOLDINGS
INCORPORATED**

The primary risk for Yesterpay's investors is the ability for CapitalNow to meet its loan obligation on a sustained basis

To mitigate that risk Yesterpay utilizes the following tools and strategies:

Agreements

- Secured Loan Agreement
- General Security Agreement on all assets of CapitalNow

Monitoring of CapitalNow

- Monthly, Quarterly and Annual review of CapitalNow following reports are conducted
 - Financial Statements
 - AD/Client Concentrations
 - Days outstanding report
 - Asset/Accounts receivables Aging Pool
 - Write offs and Accounting policies
 - Use of the Line of Credit
 - OM Review

Continuous Disclosure

- The results of these reviews are provided to the Exempt Market Dealers quarterly and annually to facilitate their continuous due diligence requirements

USE OF PROCEEDS

OFFERING MEMORANDUM
– JULY 29TH, 2019

SECTION 1.0

- The capital raised through Yesterpay can be utilized by CapitalNow to:
 - purchase credit receivables; and
 - grow the business through the acquisition of businesses and technology.
- The capital **cannot** be used to fund operations



Invoices = Assets

LIQUIDITY AND EARLY REDEMPTION

OFFERING MEMORANDUM
– JULY 29TH, 2019

SECTION 5.1

- Non Trading Securities
- Redemption occurs **automatically** when the bonds mature after 1, 2 or 3 years
- Early Redemption Options are available on:
 - 2 and 3 year Bonds: Series D, E & F
 - 10% of the issued and outstanding bonds maybe redeemed
 - Twice a year on March 31st and September 30th
 - A small penalty of 5% or less may apply (declining over time)

INVESTOR UPDATES

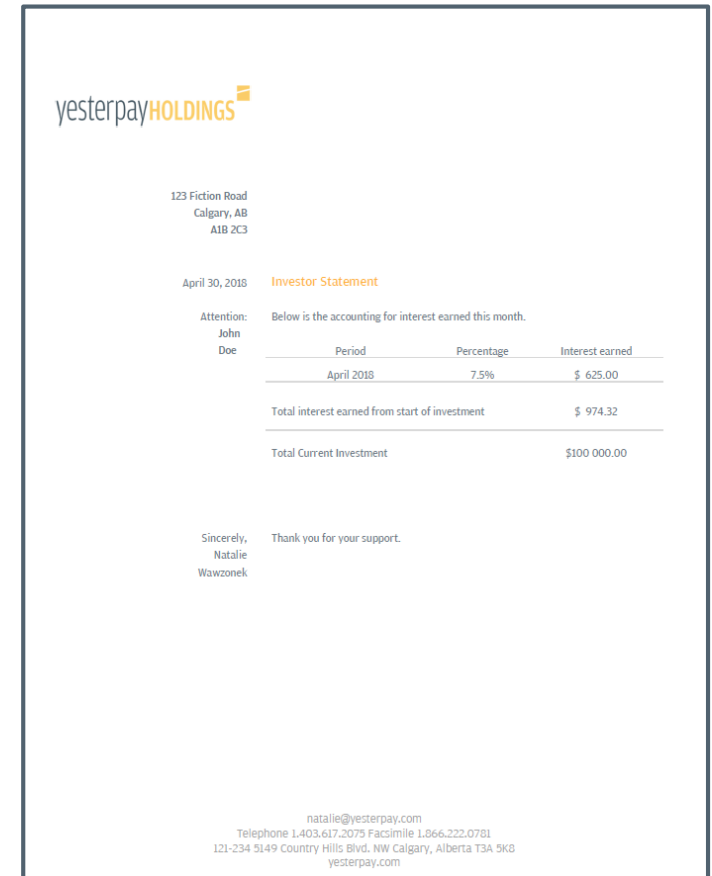
- **Monthly Statements**
 - Emailed to Investors

- **Annual Audited Financials Statements**
 - Are posted on:
 - SEDAR for YesterPay
 - Website for YesterPay
 - Available upon request for CapitalNow

- **Quarterly Financials**
 - Are provided in the Offering Memorandum

- **Investor Conference Calls**
 - Are scheduled quarterly

- **News and Events**
 - Updated monthly





PCMA
PRIVATE CAPITAL MARKETS ASSOCIATION
OF CANADA
THE NATIONAL VOICE OF EXEMPT MARKET DEALERS, ISSUERS AND INDUSTRY PROFESSIONALS



- Fixed rate return (6.5% to 8.5%, 8.5% Compounded)
- Registered plan eligible (RRSP, RRIF, RESP, TFSA)
- Monthly interest payments enables you to track results easily
- Low minimum subscription - \$1000 with \$100 increments
- Early Redemption twice per year (see Section 5.1 of the OM)
- Led by an experienced management team
- 10 years of business growth and performance
- Revolving Line of Credit from Canadian Western Bank

■ Next Close: March 20, 2020

| Bond | Interest Rate | Term | Interest Payment | Principal Payment |
|----------|-------------------------------|---------|-----------------------|-------------------|
| Series C | 6.5% | 1 year | Paid Monthly | On Maturity |
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JULY 29, 2019 - OFFERING MEMORANDUM

PROPRIETARY & CONFIDENTIAL INFORMATION

NOTE

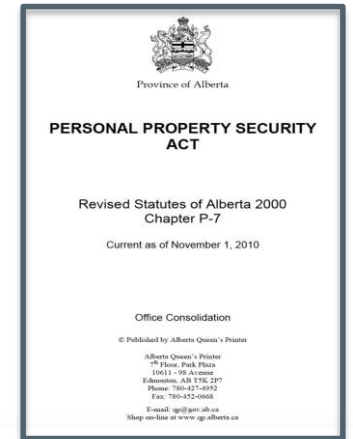
THERE ARE SEVERAL RISKS ASSOCIATED WITH THIS INVESTMENT, ANY ONE OF WHICH COULD ADVERSELY AFFECT AN INVESTOR'S RETURN ON INVESTMENT IN THESE SECURITIES. THESE RISKS ARE SET OUT IN THE CURRENT OFFERING MEMORANDUM OF YESTERPAY AND INCORPORATED BY REFERENCE HEREIN. INVESTORS SHOULD REVIEW THESE RISKS WITH THEIR LEGAL AND FINANCIAL ADVISORS PRIOR TO INVESTING.

REFERENCES AND NOTES

| Notes | Slide | Sources |
|--------|---|---|
| Note 3 | Slide 7 Slide 14 Slide 15 Slide 22 | <ul style="list-style-type: none"> The source of this information are Yesterpay Holdings Release Notes dated November 29th, 2019 and the Interim 2019 Financials Statement ending September 30, 2019 for Yesterpay and CapitalNow |
| Note 4 | Slide 10 | <ul style="list-style-type: none"> Source: Factors Chain International FCI – Annual Review 2019 Edition 1 Euro = \$1.18 USD as at December 2018 |
| Note 5 | Slide 12 | <ul style="list-style-type: none"> The source of this information are Yesterpay Holdings Release Notes dated November 29th, 2019 and the Interim 2019 Financials Statement ending September 30, 2019 for Yesterpay and CapitalNow International Factoring Association (IFA) 2019 Industry Survey |

PERSONAL PROPERTY SECURITY ACT OF ALBERTA

- Factoring arrangements consist of an ‘absolute assignment’ or ‘true sale’ of accounts by a debtor to a ‘factor’.
- Under the PPSA, the term ‘accounts’ is used when referring to ‘accounts receivable’. The party borrowing money or selling its receivables is what is termed a ‘debtor’. The customers of the debtor who owe money to the debtor are called ‘account debtors’.
- The ‘secured party’ under the PPSA may referred to as either a ‘factor’ or a lender’. The debtor in this fact situation, can assign its accounts to a lender/factor. The effect of that assignment is that the lender/factor is assigned (transferred) the right to receive that payment from the account debtor, provided certain notice and other conditions are met.
- The PPSA has several provisions under Section 41, such as section 41(4), 41(5) and 41(6) PPSA, that provides for the legislative framework for facilitation of such assignments.



STATUTORY AND CONTRACTUAL RIGHTS OF ACTION

- Securities legislation in certain of the provinces of Canada may deem this Presentation to be an offering memorandum and accordingly provide purchasers with statutory rights of rescission or damages, or both, in the event this Presentation contains a misrepresentation. A “misrepresentation” is an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading or false in the light of the circumstances in which it was made. These remedies must be commenced by the purchaser within the time limits prescribed and are subject to the defences contained in the applicable securities legislation. Purchasers should refer to the applicable provisions of the securities legislation of their province for the particulars of these rights or consult with a legal adviser.
- The following is a summary of the statutory rights of rescission or damages, or both, under securities legislation in certain of the provinces of Canada where that is required to be disclosed under the relevant securities legislation, and as such, is subject to the express provisions of the legislation and the related regulations and rules. The rights described below are in addition to, and without derogation from, any other right or remedy available at law to purchasers of the securities.

ONTARIO PURCHASERS

- Ontario securities legislation provides that where an offering memorandum is delivered to a purchaser and contains a misrepresentation, the purchaser will be deemed to have relied upon the misrepresentation and will, except as provided below, have a statutory right of action for damages or for rescission against the issuer and a selling security holder on whose behalf the distribution is made; if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages against the issuer or any selling security holder. No such action shall be commenced more than, in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action, or, in the case of any action other than an action for rescission, the earlier of: (i) 180 days after the purchaser first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of the transaction that gave rise to the cause of action. The Ontario legislation provides a number of limitations and defences to such actions, including: (a) the issuer or any selling security holder is not liable if it proves that the purchaser purchased the securities with knowledge of the misrepresentation; (b) in an action for damages, the issuer shall not be liable for all or any portion of the damages that the issuer or any selling security holder proves do not represent the depreciation in value of the securities as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which the securities were offered.
- These rights are not available for a purchaser that is: (a) a Canadian financial institution, meaning either: (i) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that act; or (ii) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a province or territory of Canada to carry on business in Canada or a province or territory of Canada; (b) a Schedule III bank, meaning an authorized foreign bank named in Schedule III of the *Bank Act* (Canada); (c) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or (d) a subsidiary of any person referred to in clauses (a), (b) or (c), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary.

NOVA SCOTIA PURCHASERS

- Nova Scotia securities legislation provides that in the event that an offering memorandum or a record incorporated by reference in an offering memorandum, together with any amendments thereto, or any advertising or sales literature (as defined in the Nova Scotia securities legislation) contains a misrepresentation, a purchaser who purchases the securities referred to in it is deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase. Such purchaser has a statutory right of action for damages against the seller (which includes the issuer) and, subject to certain additional defences, the directors of the seller. Alternatively, the purchaser while still an owner of the securities, may elect instead to exercise a statutory right of rescission against the issuer, in which case the purchaser shall have no right of action for damages against the seller or the directors. No such action shall be commenced to enforce the right of action for rescission or damages more than 120 days after the date payment was made for the securities (or after the date on which initial payment was made for the securities where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment). The Nova Scotia legislation provides a number of limitations and defences, including: (a) no person or company is liable if the person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation; (b) in the case of an action for damages, no person or company is liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation; and (c) in no case will the amount recoverable in any action exceed the price at which the securities were offered to the purchaser.
- A person or company, other than the issuer, is not liable with respect to any part of the offering memorandum or any amendment to the offering memorandum not purporting (a) to be made on the authority of an expert or (b) to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company (i) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation or (ii) believed that there had been a misrepresentation.
- A person or company, other than the issuer, will not be liable if that person or company proves that: (a) the offering memorandum or any amendment to the offering memorandum was sent or delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent; (b) after delivery of the offering memorandum or any amendment to the offering memorandum and before the purchase of the securities by the purchaser, on becoming aware of any misrepresentation in the offering memorandum or any amendment to the offering memorandum, the person or company withdrew the person's or company's consent to the offering memorandum or any amendment to the offering memorandum, and gave reasonable general notice of the withdrawal and the reason for it; or (c) with respect to any part of the offering memorandum or any amendment to the offering memorandum purporting (i) to be made on the authority of an expert, or (ii) to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that (A) there had been a misrepresentation, or (B) the relevant part of the offering memorandum or any amendment to the offering memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert. The rights given to a purchaser as described above are in addition to any other right or remedy available at law to the purchaser.

NEW BRUNSWICK PURCHASERS

- New Brunswick securities legislation provides that where any information relating to an offering that is provided to a purchaser of the securities contains a misrepresentation, a purchaser who purchases the securities shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase. Such purchaser has a right of action for damages against the issuer or may elect to exercise a right of rescission against the issuer, in which case the purchaser shall have no right of action for damages. No such action shall be commenced more than, in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action or, in the case of any action, other than an action for rescission, the earlier of (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action, and (ii) six years after the date of the transaction that gave rise to the cause of action. The New Brunswick legislation provides a number of limitations and defences to such actions, including: (a) the issuer is not liable if it proves that the purchaser purchased the securities with knowledge of the misrepresentation; (b) in an action for damages, the issuer shall not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which the securities were offered.

Manitoba, Newfoundland and Labrador, Northwest Territories,
Nunavut, Prince Edward Island, and Yukon Purchasers

Purchasers should refer to the applicable provisions of the securities legislation of their province for the particulars of these rights or consult with a legal adviser.

SASKATCHEWAN PURCHASERS

- Saskatchewan securities legislation provides that in the event that an offering memorandum, together with any amendments thereto, or advertising and sales literature disseminated in connection with an offering of securities contains a misrepresentation, a purchaser who purchases such securities has, without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against: (a) the issuer and the selling security holder on whose behalf the distribution is made; (b) every promoter and director of the issuer or the selling security holder, as the case may be, at the time the offering memorandum or any amendment to it was sent or delivered; (c) every person or company whose consent has been filed respecting the offering, but only with respect to reports, opinions or statements that have been made by them; (d) every person who or company that, in addition to the persons or companies mentioned in clauses (a) to (c), signed the offering memorandum or the amendment to the offering memorandum; and (e) every person who or company that sells securities on behalf of the issuer and the selling security holder under the offering memorandum or amendment to the offering memorandum. If such purchaser elects to exercise a statutory right of rescission against the issuer or selling security holder, it shall have no right of action for damages against that person or company. No such action for rescission or damages shall be commenced more than, in the case of a right of rescission, 180 days after the date of the transaction that gave rise to the cause of action or, in the case of any action, other than an action for rescission, before the earlier of (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action, and (ii) six years after the date of the transaction that gave rise to the cause of action.
- The Saskatchewan legislation provides a number of limitations and defences, including: (a) no person or company will be liable if the person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation; (b) in the case of an action for damages, no person or company will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation; and (c) in no case will the amount recoverable in any action exceed the price at which the securities were offered to the purchaser.
- No person or company, other than the issuer, will be liable if the person or company proves that: (a) the offering memorandum or any amendment to it was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of it being sent or delivered, that person or company gave reasonable general notice that it was so sent or delivered; (b) after the filing of the offering memorandum or any amendment to it and before the purchase of securities by the purchaser, on becoming aware of any misrepresentation in the offering memorandum or any amendment to it, the person or company withdrew the person's or company's consent to it and gave reasonable general notice of the person's or company's withdrawal and the reason for it; (c) with respect to any part of the offering memorandum or any amendment to it purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company had no reasonable grounds to believe and did not believe that (i) there had been a misrepresentation, or (ii) the part of the offering memorandum or any amendment to it did not fairly represent the report, opinion or statement of the expert or was not a fair copy of, or an extract from, the report, opinion or statement of the expert; (d) with respect to any part of the offering memorandum or any amendment to it purporting to be made on the person's or company's own authority as an expert or purporting to be a copy of or an extract from the person's or company's own report, opinion or statement as an expert that contains a misrepresentation attributable to failure to represent fairly his, her or its report, opinion or statement as an expert, (i) the person or company had, after reasonable investigation, reasonable grounds to believe, and did believe, that the part of the offering memorandum or any amendment to it fairly represented the person's or company's report, opinion or statement, or (ii) on becoming aware that the part of the offering memorandum or of any amendment to it did not fairly represent the person's or company's report, opinion or statement as an expert, the person or company immediately advised the Saskatchewan Securities Commission and gave reasonable general notice that such use had been made of it and that the person or company would not be responsible for that part of the offering memorandum or of the amendment to it; or (e) with respect to a false statement purporting to be a statement made by an official person or contained in what purports to be a copy of or extract from a public official document, the statement was a correct and fair representation of the statement or copy of or extract from the document and the person or company had reasonable grounds to believe, and did believe, that the statement was true.
- The Saskatchewan legislation also provides that where an individual makes a verbal statement to a prospective purchaser that contains a misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, the purchaser is deemed to have relied on the misrepresentation, if it was a misrepresentation at the time of purchase, and has a right of action for damages against the individual who made the verbal statement.
- The Saskatchewan legislation provides a purchaser with the right to void the purchase agreement and to recover all money and other consideration paid by the purchaser for the securities if the securities are sold in contravention of Saskatchewan securities legislation, regulations or a decision of the Saskatchewan Financial Services Commission.
- The Saskatchewan legislation also provides a right of action for rescission or damages to a purchaser of securities to whom an offering memorandum or any amendment to it was not sent or delivered prior to or at the same time as the purchaser enters into an agreement to purchase the securities, as required by the Saskatchewan legislation.
- The Saskatchewan legislation also provides that a purchaser who has received an amended offering memorandum that was amended and delivered in accordance with such legislation has a right to withdraw from the agreement to purchase the securities by delivering a notice to the person who or company that is selling the securities, indicating the purchaser's intention not to be bound by the purchase agreement, provided such notice is delivered by the purchaser within two business days of receiving the amended offering memorandum.