



Hero Innovation Group Enters into Loan Agreement Amending Agreement

VANCOUVER, BC – December 14, 2022 – Hero Innovation Group Inc. (“**Hero**” or the “**Company**”) (CSE: HRO) announces that it has entered into a loan agreement amending agreement (the “**Agreement**”) dated December 13, 2022 with Morrison Homes Bridge Street Ltd. (the “**Lender**”). The Company and the Lender, a company controlled by Morris Chen, a director of Hero, are party to loan agreements dated February 8, 2022, February 24, 2022, March 8, 2022, March 31, 2022, April 6, 2022, April 27, 2022, May 11, 2022, May 26, 2022, June 16, 2022, June 30, 2022, July 21, 2022, August 10, 2022, August 23, 2022, September 21, 2022, and October 20, 2022 (collectively, the “**Loan Agreements**”), pursuant to which the Lender agreed to lend the Company up to \$2,400,000, of which the Lender has advanced, in tranches, an aggregate principal amount of \$2,400,000 (collectively, the “**Loan**”). The Loan Agreements from February 8, 2022 to July 21, 2022, equalling an aggregate principal amount of \$1,400,000, are at an interest rate of 8% per annum. The Loan Agreements from August 10, 2022 to October 20, 2022, equalling an aggregate principal amount of \$1,000,000, are at an interest rate of 15% per annum. The proceeds of the Loan have been used by the Company for general working capital purposes.

Subject to the receipt of prior shareholder approval in accordance with Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”) as well as that of the Canadian Securities Exchange (“**CSE**”), the Company and the Lender agreed to amend the terms of the Loan Agreements to provide for the convertibility of the Loan and any accrued and unpaid interest thereon into units of the Company (each, a “**Conversion Unit**”) at a conversion price of \$0.08 per Conversion Unit. Each Conversion Unit will consist of one common share (each, a “**Share**”) in the capital of the Company and one Share purchase warrants (each, a “**Warrant**”), with each Warrant entitling the holder to acquire one additional Share at a price of \$0.45 per Share for a period of 24 months from the date of issuance (the “**Conversion**”).

Morris Chen, a director of the Company, controls Morrison and, as such, the Loan and the Agreement are considered to be a “related party transaction” as defined in MI 61-101. The issuance of the Loan to the Mr. Chen is exempt from the valuation requirement of MI 61-101 by the virtue of the exemption contained in section 5.5(b) as the Company’s shares are not listed on a specified market, however the issuance of the Loan is not exempt from the minority shareholder approval requirements of MI 61-101. As such, the Agreement and any Conversion of the Loan thereunder is subject to prior minority shareholder approval.

About Hero Innovation Group Inc.

Hero Innovation Group Inc. (formerly, Euro Asia Pay Holdings Inc.) is a developer of innovative financial solutions for the next generation of consumers. Through its flagship product, SideKick™, introduced in 2018, the Company identified unmet needs in the market within specific demographics, such as international students in Canada, and delivered a product to address those needs. Hero Financials, the Company’s largest product, is targeted at parents, kids and young adults across Canada. With financial

literacy at the forefront of the Company's values and a plethora of advanced proprietary technology features, Hero Financials prepares kids to become financially smart adults through a variety of financial literacy tools.

To learn more about Hero Group's products and services, visit www.heroinnovationgroup.com.

On behalf of the Board of Directors

Peter MacKay
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Disclaimer for Forward-Looking Information

This news release contains forward-looking information within the meaning of Canadian securities legislation concerning the business of the Company. Forward-looking information is based on certain key expectations and assumptions made by the management of the Company. Although the Company believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because the Company can give no assurance that they will prove to be correct. Forward-looking information in this news release includes statements regarding, but not limited to: the ability for the Company to perform its obligations under the Agreement; the receipt of applicable third party approvals of the Agreement and the Loan convertibility, including, but not limited to, minority shareholder approval and that of the CSE, and such other statements contained herein that are not purely historical in nature. There are numerous risks and uncertainties that could cause actual results and the Company's plans and objectives to differ materially from those expressed in the forward-looking information. Important factors that could cause actual results to differ materially from those expressed in the forward-looking information include: the CSE may not approve the securities issuable pursuant to the Agreement; that the requisite minority shareholders approvals may not be obtained by the parties in connection with the Conversion; and other factors beyond the control of the Company. The ongoing COVID-19 pandemic, labour shortages, inflationary pressures, rising interest rates, the global financial climate and the conflict in Ukraine and surrounding regions are some additional factors that are affecting current economic conditions and increasing economic uncertainty, which may impact the Company's operating performance, financial position, and future prospects. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits the Company will obtain from them. The Company does not undertake any obligation to update such forward-looking information whether because of new information, future events or otherwise, except as expressly required by applicable law.