



Clip Money Inc. Announces Closing of First Tranche of Non-Brokered Private Placement of Convertible Note Units

TORONTO, Ontario, May 4, 2023 – Clip Money Inc. (TSX-V: CLIP) (OTCQB: CLPMF) (“**Clip Money**” or the “**Company**”), a company that operates a multi-bank self-service deposit system for businesses, is pleased to announce that it has closed the first tranche of a non-brokered private placement of approximately 483 note units of the Company (each a “**Note Unit**”) at a price of CAD\$1,000 per Note Unit for gross proceeds of approximately CAD\$483,000 (the “**Private Placement**”). Each Note Unit consisted of one 12% unsecured convertible note with a principal amount of \$1,000 (each a “**Note**”) and 1,000 common share purchase warrants of the Company (each, a “**Warrant**”).

Each Note issued under the Private Placement will be due and payable on the date that is 36 months from today (the “**Maturity Date**”). On the Maturity Date, payment of the principal amount of each Note plus accrued and unpaid interest thereon will be satisfied in cash. The Notes will bear interest at the rate of 12% per annum, accruing monthly and payable quarterly in-kind on the Maturity Date. The Company may elect, at its sole discretion, to pay all or a portion of any accrued and unpaid interest in cash or shares of the Company quarterly.

The principal amount of each Note shall be convertible, for no additional consideration, into common shares of the Corporation (“**Common Shares**”) at the option of the holder in whole or in part at any time and from time to time prior to the earlier of the business day immediately preceding the Maturity Date. The number of Common Shares to be granted to each Note holder upon the above described conversion will be equal to the principal amount held by such holder divided by \$0.50 (the “**Conversion Price**”), subject to adjustment in certain events and subject to TSXV approval.

The Company will have the option (but not the obligation) to force the conversion (the “**Company Conversion**”) of the principal amount of the then outstanding Notes plus all interest accrued in kind onto the principal of the Notes into Common Shares at the Conversion Price, on not more than 60 days’ and not less than 10 days’ notice, in the event that the daily volume weighted average trading price of the Common Shares on the TSXV is greater than \$1.00 per share for 20 consecutive trading days of the Common Shares on the TSXV preceding such notice.

The Company will be obligated to force the conversion (the “**Mandatory Conversion**”) of the principal amount of the then outstanding Notes into Common Shares on not more than 60 days’ and not less than 10 days’ notice in connection with a qualified equity or similar financing (either qualified by a prospectus or by way of a private placement) involving Common Shares, or warrants exercisable for Common Shares (or other equity securities), resulting in aggregate gross proceeds to the Company of not less than US\$5 million (the “**Qualified Financing**”). Where a conversion occurs pursuant to a Mandatory Conversion, such a conversion will occur at the lesser of the Conversion Price or 80% of the price per security of a Qualified Financing, provided that in



event of a conversion under the latter, the pricing for such conversion shall be subject to the approval of the TSXV at the time of conversion.

Each Warrant issued under the Private Placement will entitle the holder thereof to purchase one Common Share at an exercise price of CAD\$0.70 for a period of 36 months following the issuance of the Units. The expiry date of the Warrants will be subject to an acceleration right in favour of the Company that is exercisable if the common shares of the Company trade at or above a volume-weighted average trading price of CAD\$1.40 on the TSXV on any 20-consecutive trading days following the closing date of the Private Placement. If the acceleration right is exercised by the Company, the Warrants will expire on the 30th day after the Company issues a press release announcing that it has exercised such acceleration right.

All securities issued in connection with the Private Placement are subject to a four-month and one day hold period in Canada, during which time the securities may not be traded.

The Company plans to use the net proceeds from the Private Placement for network expansion and customer acquisition, new unit capital expenditures, business operations and technology and for general corporate purposes. Closing of a second tranche of the Private Placement is expected to occur in the second quarter of 2023.

About Clip Money Inc.

Clip Money operates a multi-bank self-service deposit system for businesses through its ClipDrop Boxes that gives users the capability of making deposits outside of their bank branch at top retailers and shopping malls. Rather than having to go to their personal bank branch or using a cash pickup service, businesses can deposit their cash at any ClipDrop Box located near them. After being deposited, the funds will automatically be credited to the business' bank account, usually within one business day. The Company combines functional hardware, an intuitive mobile app and an innovative cloud-based transaction engine that maximizes business banking transactions. Combined with mobile user applications, Clip Money offers a cost-effective and convenient solution for business banking deposits in metropolitan statistical areas across Canada and the United States. For more information about the Company, visit www.clipmoney.com.

Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.

For further information, please contact:

Joseph Arrage
Chief Executive Officer
tel: 844-593-2547