



Clip Money Inc. Announces Amendment to Previously Announced Convertible Note Financing

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TORONTO, April 13, 2023 (GLOBE NEWSWIRE) -- 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 modified the structure of its previously announced non-brokered private placement of convertible notes and warrants, as described in its press release on March 28, 2023 due to increased investor demand. The modified private placement (the "**Modified Offering**") will be for note units of the Company (the "**Note Units**") at a price of \$1,000 per Note Unit for gross proceeds of up to CAD\$4,000,000 (the "**Offering Size**"). The Offering Size may be increased at the discretion of the Company and upon TSXV approval. Each Note Unit will consist 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 Modified Offering will be due and payable on the date that is 36 months from the date of issuance (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 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: (i) the business day immediately preceding the Maturity Date, and (ii) the business day immediately preceding the date specified by the Company for redemption of the Notes upon a change of control. 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. Where a holder elects to convert their Note into Common Shares, the Company will first pay out all accrued and unpaid interest on their Note in cash.

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 into Common Shares at the Conversion Price, on not more than 60 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 on the TSXV is greater than \$1.40 per share for 20 consecutive trading days of the Common Shares on the TSXV preceding such notice. Where such a Company Conversion occurs, the Company will first pay out all accrued and unpaid interest on the then outstanding Notes in cash.

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. Where such a Mandatory Conversion occurs, the Company will first pay out all accrued and unpaid interest on the then outstanding Notes in cash.

Each Warrant issued under the Modified Offering 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 Modified Offering. 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.

The Company has engaged certain finders (each a "**Finder**") for the purpose of obtaining investor participation in the Private Placement ("**Referred Investors**"). The Company has agreed to pay each Finder a cash commission equal to 7.0% of the gross proceeds received from the sale of Units to Referred Investors and to issue warrants to each Finder (the "**Finder Warrants**") equal to 7.0% of the number of Warrants issued to Referred Investors, which Finder Warrants shall be exercisable at a price of CAD\$0.70 for a period of 36 months following issuance of the Units to the Referred Investors.

Insiders may participate in the Private Placement and will be considered a related party transaction subject to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). The Company intends to rely on exemptions from the formal valuation and minority shareholder approval requirements provided under subsections 5.5(a) and 5.7(a) of MI 61-101 on the basis that participation in the Private Placement by insiders will not exceed 25% of the fair market value of the Company's market capitalization.

Closing of the Modified Offering is subject to Clip Money obtaining all necessary corporate and regulatory approvals, including approval of the TSXV. All securities to be issued to Canadian investors in connection with the Modified Offering will be subject to a statutory hold period of four months plus a day from the date of issuance in accordance with applicable securities legislation in Canada.

The Company intends to use the net proceeds from the Modified Offering for network expansion and customer acquisition, new unit capital expenditures, business operations and technology and for general corporate purposes. Closing of the Modified Offering is expected to occur before the end of April 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.

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