

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

Clip Money Inc. (“**Clip Money**” or the “**Company**”)
96 Riverdale Ave
Ottawa, ON
K1S1R2

Item 2. Date of Material Change

May 20, 2022

Item 3. News Release

Attached as Schedule “A” is a copy of the press release relating to the material change, which was disseminated on May 20, 2022 and filed on the System for Electronic Document Analysis and Retrieval.

Item 4. Summary of Material Change

On May 20, 2022, former Clip Money Inc. (“**Former Clip Money**”) completed a “reverse takeover” (the “**RTO**”) of 13842053 Canada Corp. (“**138**”). In furtherance of the RTO, Former Clip Money and 138 amalgamated under the federal laws of Canada pursuant to an amalgamation agreement dated May 20, 2022 (the “**Amalgamation Agreement**”). The amalgamated entity continued under the name “Clip Money Inc.”

A Form 2B listing application dated May 20, 2022 in respect of Clip Money has been prepared in accordance with the requirements of the TSX Venture Exchange and was filed under Clip Money’s issuer profile on SEDAR at www.sedar.com.

Prior to the completion of the RTO and pursuant to the Amalgamation Agreement: (i) 138 implemented a split all of its outstanding common shares based on a ratio of 1.2727:1 resulting in an aggregate of 1,400,000 post-split common shares of 138 outstanding (“**138 Split**”) and (ii) Former Clip Money implemented a split of all of its outstanding common shares (the “**Former Clip Money Common Shares**”) based on a ratio of 31.3325:1 resulting in an aggregate of 51,152,511 Former Clip Money Common Shares outstanding (the “**Former Clip Money Split**”).

Following completion of the 138 Split, the Former Clip Money Split and the RTO, the Corporation had 66,230,194 Common Shares, 2,838,946 options to acquire common shares and 4,087,220 warrants outstanding.

Item 5. Full Description of Material Change

For a full description of the material change, please see Schedule “A” attached hereto.

Item 6. Reliance on Subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7. Omitted Information

None.

Item 8. Executive Officer

The name and business telephone number of the officer of the Company who can answer questions regarding this material change report is as follows:

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

Item 9. Date of Report

May 26, 2022

SCHEDULE "A"

NOT FOR DISTRIBUTION TO UNITED STATES NEWS WIRE SERVICES OR FOR
DISSEMINATION IN THE UNITED STATES

Clip Money Inc. Announces Completion of RTO

Toronto, Ontario, May 20, 2022 – Clip Money Inc. (formerly 13842053 Canada Corp.) ("**Clip Money**", the "**Company**", or the "**Resulting Issuer**") is pleased to announce the completion of the previously announced "reverse takeover" (the "**RTO**") of 13842053 Canada Corp. ("**138**") by the former Clip Money Inc. ("**Former Clip Money**"). In furtherance of the RTO, Former Clip Money and 138 amalgamated under the federal laws of Canada pursuant to an amalgamation agreement dated May 20, 2022 (the "**Amalgamation Agreement**"). The amalgamated entity will continue under the name "Clip Money Inc."

A Form 2B listing application dated May 20, 2022 (the "**Listing Application**") in respect of the Resulting Issuer has been prepared in accordance with the requirements of the TSX Venture Exchange (the "**Exchange**") and will be filed under the Resulting Issuer's issuer profile on SEDAR at www.sedar.com. It is anticipated that the Resulting Issuer Common Shares (as defined below) will commence trading on the Exchange on May 26, 2022 under the symbol "CLIP".

Share Splits

Prior to the completion of the RTO and pursuant to the Amalgamation Agreement: (i) 138 implemented a split all of its outstanding common shares based on a ratio of 1.2727:1 resulting in an aggregate of 1,400,000 post-split common shares of 138 outstanding ("**138 Split**") and (ii) Former Clip Money implemented a split of all of its outstanding common shares based on a ratio of 31.3325:1 resulting in an aggregate of 51,152,511 common shares of Former Clip Money outstanding (the "**Former Clip Money Split**").

Prior Financings

On October 22, 2021, December 22, 2021, January 24, 2022 and February 10, 2022, Former Clip Money completed the first, second, third and fourth tranche, respectively, of a non-brokered private placement of unsecured convertible notes ("the **Convertible Notes**") for aggregate gross proceeds to Former Clip Money of \$3,000,000 (the "**Convertible Note Financing**"). The Convertible Notes bear interest at a rate of 8% per annum and, are due and payable on the date that is 12 months from the date the Convertible Note was issued. The principal amount of the Convertible Notes and the interest accruing thereon were converted into 3,847,489 Resulting Issuer Common Shares on completion of the RTO.

On May 13, 2022, Former Clip Money closed a private placement of subscription receipts (the "**Subscription Receipts**") of Former Clip Money at a price of \$1.00 per Subscription Receipt (the "**Issue Price**") for aggregate gross proceeds of approximately \$8,090,425 (the "**Offering**"), which includes a lead order from a strategic investor for \$3,000,000 (the "**Subscription Receipt**").

Financing). Immediately prior to the completion of the RTO, the net proceeds from the sale of the Subscription Receipt Financing were released from escrow to Former Clip Money, resulting in the issuance of 5,174,439 common shares of Former Clip Money (the “**Former Clip Money Shares**”) and 2,587,220 common share purchase warrants of Former Clip Money (the “**Former Clip Money Warrants**”). Pursuant to the Amalgamation Agreement, the Former Clip Money Shares and the Former Clip Money Warrants issued on conversion of the Subscription Receipts were automatically exchanged for Resulting Issuer Common Shares and Resulting Issuer Warrants (as defined below) on a 1:1 basis.

Pursuant to the terms of a finder’s fee agreement, the Resulting Issuer issued 1,655,755 Resulting Issuer Common Shares to 2578218 Ontario Ltd. (the “**Finder**”) as payment of a one-time finder’s fee in connection with the RTO. The Finder is an arm’s length party to Clip Money.

Summary of the RTO

Pursuant to the Amalgamation Agreement, 138 and Former Clip Money amalgamated under the *Canada Business Corporations Act*, resulting in:

- (i) each shareholder of Former Clip Money receiving one common share of the Resulting Issuer (each a “**Resulting Issuer Common Share**”) in exchange for each common share of Former Clip Money (on a post-Former Clip Money Split basis) held by such holder as well as the pre-split common shares of Former Clip Money being cancelled;
- (ii) each holder of Former Clip Money options receiving one option of the Resulting Issuer (each a “**Resulting Issuer Option**”) in exchange for each option of Former Clip Money (on a post-Former Clip Money Split basis);
- (iii) each holder of Former Clip Money warrants (on a post-Former Clip Money Split basis) receiving one warrant of the Resulting Issuer (each a “**Resulting Issuer Warrant**”) in exchange for each warrant of Former Clip Money. Each Resulting Issuer Warrant may be exercised for one Resulting Issuer Common Share at an exercise price of \$1.50 per Resulting Issuer Common Share;
- (iv) each holder of a broker warrant (on a post-Former Clip Money Split basis) receiving one broker warrant of the Resulting Issuer. Each broker warrant may be exercised for one Resulting Issuer Common Share and one half of one Resulting Issuer warrant at an aggregate exercise price of \$1.00;
- (v) each shareholder of former 138 receiving one Resulting Issuer Common Share in exchange for each common share of 138 (on a post-138 Split basis) as well as the common shares of former 138 being cancelled;
- (vi) the corporation resulting from the Amalgamation being named “Clip Money Inc.”;
- (vii) new corporate governance policies of the Resulting Issuer being adopted;

- (viii) a new omnibus equity incentive plan of the Resulting Issuer being adopted; and
- (ix) the board of the Resulting Issuer being reconstituted to include Daren Trousdell, Joseph Arrage, Jeff Gibson, Peter Dorsman, and John Desmond.

Clip Money currently has 66,230,194 Resulting Issuer Common Shares, 2,838,946 Resulting Issuer Options and 4,087,220 Resulting Issuer Warrants outstanding following the completion of the 138 Split, the Former Clip Money Split, the conversion of the of the Subscription Receipts issued pursuant to the Subscription Receipt Financing, conversion of the Convertible Notes from the Convertible Note Financing and issuance of shares to the Finder.

Certain Resulting Issuer Common Shares issued pursuant to the RTO are subject to restrictions on resale or escrow under the policies of the Exchange and contractual lock-up agreements with the agents involved in the Subscription Receipt Financing, including the securities to be issued to “Principals” (as defined under Exchange policies), which will be subject to the escrow requirements of the Exchange.

Executive Officers and Board of Directors

Pursuant to the Amalgamation Agreement, the Resulting Issuer's executive team will include: Joseph Arrage (CEO and Director), Andrew Tussing (Chief Financial Officer), Brian Bailey (Chief Operating Officer) and Roger Dalal (Chief Technology Officer). The Resulting Issuer's board of directors will include: Daren Trousdell, Joseph Arrage, Jeff Gibson, Peter Dorsman, and John Desmond.

Please see below for a brief biography of each new executive officer and director of the Resulting Issuer:

Joseph Arrage, *Chief Executive Officer and Director*

Mr. Arrage has been a leader in the Canadian payments industry for 20 years. Prior to co-founding Clip Money, Mr. Arrage was SVP of, Cardtronics (Canada), the world's largest non-bank ATM operator and a leading provider of fully integrated ATM and financial kiosk products. At Cardtronics, Mr. Arrage led all commercial functions aligned to financial institutions, retailers and gaming for the company's \$180M Canadian business. For financial institutions, solutions included payments, card acquiring, issuing, and management and mobile payments. Mr. Arrage's relationships spanned significant enterprise organizations including Scotiabank, RBC, CIBC, BMO, TD, Petro-Canada, CST Corner Store, Couche-Tard (Circle-K), 7-Eleven and Parkland. Prior to Cardtronics, Mr. Arrage founded and lead Can-Do-Cash Ltd., one of Canada's largest private ATM operators before selling it to Cardtronics.

Andrew Tussing, *Chief Financial Officer*

Mr. Tussing is an accomplished finance professional with over 18 years of experience at top-tier financial organizations (e.g., TD Bank, KeyBank, American Express). Within the past 10 years, Mr. Tussing has taken on complex and dynamic leadership roles of increasing scope and responsibility. Most recently he was the SVP/Regional CFO for Cardtronics' (NASDAQ:

CATM), North American business (+\$800M annual revenue). At Cardtronics, he helped drive back-to-back years of +10% profit growth in a declining market segment. Mr. Tussing is a results focused leader who leverages his experience and expertise to drive balanced decision making, foster stronger relationships, and actively support the organization's strategic vision. Mr. Tussing received his B.S. in finance from Iowa State University and M.B.A from Villanova University.

Brian Bailey, *Chief Operating Officer*

Mr. Bailey brings over 25 years of financial services technology experience with domain expertise in the consumer transaction technology sector. Most recently, Mr. Bailey was the EVP and Managing Director – NA at Cardtronics plc (NASDAQ: CATM), the world's largest independent ATM operator. In this role, Mr. Bailey oversaw all commercial, product and strategy functions for the company's \$850M North America business, and led the transformation of the N.A. segment to a leading provider of retail based, surcharge free ATM network for banks and fintechs. Prior to joining Cardtronics, Mr. Bailey served as VP & GM, Global Product Management for NCR Financial Services – the largest division at NCR Corporation – where he was responsible for the growth and profitability for all solution lines including the high growth branch transformation, payment solutions, ATM, and Software solutions. Mr. Bailey also held a number of management positions while at NCR in the areas of sales, marketing, and strategy, including assignments in Europe and Asia-Pacific.

Roger Dalal, *Chief Technology Officer*

Mr. Dalal designs and builds exceptional mobile experiences. He brings to the position of CTO nearly 30 years' experience in technology, business development, and project management. As a subject matter expert in user experience and client-side application development, Roger has partnered with Cox Media Group, the Canadian Olympic Committee, and professional sports teams in the National Football League and Major League Baseball. He holds an Engineering Master's Degree in Computer Science, a Bachelor's in Finance, and is a certified Project Management Professional.

Daren Trousdell, *Director*

Mr. Trousdell is a serial technology entrepreneur with over 20 years' experience starting, growing and exiting great companies. Mr. Trousdell also has extensive global M&A experience on both the buy and sell side, including deal sourcing, execution and integration, with many successful transactions ranging in values from \$5 million to over \$400 million. Mr. Trousdell is also the Chief Executive Officer of NowVertical Group Inc., a growing data analytics software and services company currently trading on the TSX Venture Exchange. Previously, Mr. Trousdell founded and sold Mindblossom, a leading digital media and technology agency, to Dentsu Aegis Network (DAN), subsequently leading North American Client Strategy and Corporate Development for the group.

Jeff Gibson, *Director*

Mr. Gibson has founded numerous companies and brings over 30 years' experience in financing, acquisitions, and business development with extensive experience in the High Technology

industry. Mr. Gibson is the Founder, CEO and President of J-Squared Technologies Inc., a growing Rugged Electronic Systems provider of solutions in the Military, Marine, Mining, and Transportation industries. Mr. Gibson is the Owner and President of numerous Real Estate Holding Companies managing commercial land and buildings in Ottawa, Canada. Mr. Gibson received his BAsC in Electrical Engineering from the University of Toronto.

Peter Dorsman, *Director*

Mr. Dorsman has over 30 years' experience in sales, marketing, operations and customer improvement in the financial services, retail, hospitality, travel, telecommunications and technology sectors. Mr. Dorsman retired as executive vice president, global services, for NCR Corporation in 2014, after being responsible for all of NCR's global support services including on-site repair, depot maintenance, refurbishment, remote resolutions and outsourced managed service offers. Mr. Dorsman was also responsible for NCR's customer experience and continuous improvement organization from 2007 until 2014, where he eliminated over \$100 million of annual costs and significantly improved customer loyalty ratings. Mr. Dorsman served on the board of Applied Industrial Technologies (NYSE:AIT) for more than 20 years, and served as lead independent director on the board of HD Supply (NASDAQ: HDS) prior to being acquired by Home Depot. Currently, Mr. Dorsman is board chairman of Aptihealth, Inc. (which is a cloud-based software company) and board member of White Cap Supply Holdings, LLC. Mr. Dorsman earned a Bachelor of Science degree, dual major: business (Martin J. Whitman School of Management) and journalism (S.I. Newhouse School of Public Communications) from Syracuse University in 1977.

John Desmond, *Director*

Mr. Desmond has over 40 years of experience in the accounting industry primarily serving mid-cap public and private equity backed global companies in a wide variety of industries. Mr. Desmond served in senior roles at the accounting firm of Grant Thornton LLP over a 35-year period. Up until his retirement in 2015, Mr. Desmond served as the Partner-in-Charge of the Long Island office of the firm. Mr. Desmond brings extensive expertise in matters such as financial reporting, tax compliance and planning, equity and debt capital raises, mergers and acquisitions, and regulatory compliance requirements. Mr. Desmond received his BS degree in Accounting from St. John's University and is a Certified Public Accountant (CPA).

Early Warning Disclosure Pursuant to National Instrument 62-102

Upon the completion of the RTO, Joseph Arrage, Daren Trousdell and Jeff Gibson each became holders of more than 10% of the issued and outstanding Resulting Issuer Common Shares. Joseph Arrage (through the Abou-Arrage 2019 Family Trust and 1578105 Ontario Inc.) holds 15,783,081 Resulting Issuer Common Shares representing approximately 23.83% of the issued and outstanding Resulting Issuer Common Shares. Daren Trousdell (through KOAT Holdings LLC) holds 14,914,292 Resulting Issuer Common Shares representing approximately 22.52% of the issued and outstanding Resulting Issuer Common Shares. Jeff Gibson (through Mazin Investments Ltd.) holds 8,802,691 Resulting Issuer Common Shares representing approximately 13.29% of the issued and outstanding Resulting Issuer Common Shares.

To obtain a copy of the early warning report to be filed in connection with the holdings of the insiders noted above, please visit the Clip Money's SEDAR Profile at www.sedar.com or contact Joseph Arrage at the phone number or email noted below.

About Clip Money

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. Clip Money 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.

Additional Information

For additional information concerning Clip Money, the RTO and the Subscription Receipt Financing, please refer to the press releases of 138 dated August 6, 2021 and May 13, 2022 which are available under Clip Money's SEDAR profile at www.sedar.com and the Listing Application which has been filed under Clip Money's SEDAR profile at www.sedar.com.

For more information, please contact:

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

Cautionary Note Regarding Forward-Looking Information

This press release contains statements which constitute "forward-looking statements" and "forward-looking information" within the meaning of applicable securities laws (collectively, "forward-looking statements"), including statements regarding the plans, intentions, beliefs and current expectations of Clip Money with respect to future business activities and operating performance. Forward-looking statements are often identified by the words "may", "would", "could", "should", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" or similar expressions and includes information regarding: (a) the listing and trading of the Clip Money Shares on the Exchange, and (b) expectations for other economic, business, and/or competitive factors.

Investors are cautioned that forward-looking statements are not based on historical facts but instead Clip Money management's expectations, estimates or projections concerning future results or events based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made. Although Clip Money believes that the

expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed thereon, as unknown or unpredictable factors could have material adverse effects on future results, performance or achievements of the Clip Money. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking statements are the following: the potential impact of the announcement or consummation of the RTO on relationships, including with regulatory bodies, employees, suppliers, customers and competitors; changes in general economic, business and political conditions, including changes in the financial markets; changes in applicable laws and regulations both locally and in foreign jurisdictions; compliance with extensive government regulation; the risks and uncertainties associated with foreign markets; and other risk factors set out in the Listing Application statement. These forward-looking statements may be affected by risks and uncertainties in the business of Clip Money and general market conditions, including COVID-19.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although Clip Money has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended and such changes could be material. Clip Money does not intend, and do not assume any obligation, to update the forward-looking statements except as otherwise required by applicable law.

Investors are cautioned that, except as disclosed in the Listing Application prepared in connection with the RTO, any information released or received with respect to the RTO may not be accurate or complete and should not be relied upon. Trading in the securities of Clip Money should be considered highly speculative.

The TSX Venture Exchange has in no way passed upon the merits of the RTO and has neither approved nor disapproved the contents of this press release.

Neither the 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.