

# Trichome Financial Announces Court Approval to Complete Purchase of JWC Assets

*Wednesday, June 3, 2020 8:30 AM EDT*

- **Transaction expected to close by June 30, 2020**
- **Total consideration of \$13.0 million, free of liabilities with operating team in place**
- **Pro-forma production of 7,000kg and \$10 million of EBITDA within 12 months**

**TORONTO, ONTARIO / ACCESSWIRE / June 3, 2020** / Trichome Financial Corp. (the "**Company**" or "**Trichome Financial**") (CSE:TFC) is pleased to announce that it has received authorization from the Ontario Superior Court of Justice (Commercial List) (the "**Court**") to complete the purchase of substantially all of the assets (the "**Transaction**") of James E. Wagner Cultivation Corporation ("**JWC**"). The Transaction is expected to close on or before June 30, 2020, provided all remaining conditions are satisfied.

"With a clean balance sheet and the lifting of financial constraints, the JWC team led by Howard Steinberg as Chief Restructuring Officer can continue to focus on the execution of the operating plan which is expected to drive an EBITDA run rate of approximately \$10 million annually. We view the purchase of the assets of JWC as a transformational opportunity for Trichome Financial as we look to use it as a base upon which to build a larger platform focused on the production and distribution of high quality cannabis products, disciplined capital allocation and free cash flow generation," said Michael Ruscetta, Chief Executive Officer of Trichome Financial.

## **JWC Highlights and Operating Plan**

Total consideration paid by Trichome Financial is estimated to be \$13.0 million. JWC's assets that are being acquired by Trichome Financial include:

- 114,000 sq. ft. of licensed indoor capacity, among the largest indoor facilities in the country.
- Annual cultivation capacity of approximately 7,000 kilograms per year of premium cannabis.
- Focus on "premium value" market through high THC flower and single-origin derivative products with a genetic bank that has been extensively phenotyped, allowing for special runs depending on market appetite and demand.
- Reset balance sheet free and clear of any liabilities.

Trichome Financial intends to leverage the significant insight gained on operations, sales, distribution, and strategy since making its initial loan to JWC, by expanding the ownership of assets in the cannabis sector as opportunities present themselves.

### **Additional Details on the SISP**

The Transaction is in connection with JWC's creditor protection proceedings under the Companies' Creditors Arrangement Act (the "**CCAA**") and previously announced Sales and Investor Solicitation Process (the "**SISP**") that concluded on May 19, 2020 with Trichome Financial emerging as the "Successful Bidder."

Further details of the SISP and the asset purchase agreement are available under JWC's profile on the System for Electronic Document Analysis and Retrieval ([www.sedar.ca](http://www.sedar.ca)) and are also available, along with additional information respecting the CCAA proceedings, on the website of KSV Kofman Inc., the Court-appointed CCAA monitor (the "Monitor") (<https://www.ksvadvisory.com/insolvency-cases/case/james-e-wagner-cultivation-corporation>). Readers are urged to consult the full text of all documents available on SEDAR and the Monitor's website for further, more detailed, information. Readers are cautioned that there are a number of factors outside of the control of Trichome Financial that may delay or impact the closing of the Transaction and, as a result and notwithstanding the approval of the Court, the Transaction may not close on the timeline or in the manner expected by Trichome Financial or at all.

### **About Trichome Financial Corp.**

Trichome Financial is a specialty finance company focused on providing flexible and creative credit solutions to the global legal cannabis market. Trichome was created to address the lack of credit availability in the large, growing and increasingly complex cannabis market. Trichome Financial's experienced founders and management team has a unique edge to capitalize on proprietary deal flow and industry insight while developing a first mover advantage as a global cannabis focused specialty finance company. Trichome Financial provides customized financing solutions across the industry value chain to support growth, capital expenditures, mergers, acquisitions, working capital and other needs. Leveraging the combined resources and knowledge of its founders, it is able to offer significant value-added financial, product, market and operational support to its partner companies.

For further information about Trichome Financial please visit us at [www.trichomefinancial.com](http://www.trichomefinancial.com) or @trichomefinance on Twitter and refer to the joint information circular of Trichome Financial and 22 Capital dated May 29, 2019 which is available on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

### **READER ADVISORY**

*This news release contains "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this news release. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections,*

*objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements. In this news release, forward-looking statements relate to, among other things: the expected closing date of the Transaction, the pro-forma production and EBITDA expected for JWC, and the prospect of JWC as a platform for consolidation. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general business, economic, competitive, political and social uncertainties; and the delay or failure to receive board, shareholder or regulatory approvals. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this news release. Except as required by law, Trichome Financial assumes no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change.*

*This press release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities described herein. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws and may not be offered or sold within the United States or to United States Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.*

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