

Trichome Financial Announces Non-Brokered Private Placement of Convertible Debentures

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\$5,000,000 offering to fund JWC working capital

Acquisition of JWC expected to close in Q3 2020, pending Health Canada approval

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TORONTO, ON / ACCESSWIRE / July 23, 2020 / Trichome Financial Corp. (the "**Company**" or "**Trichome Financial**") (CSE:TFC) is pleased to announce that the Company intends to undertake a non-brokered private placement financing of convertible debentures (each a "**Convertible Debenture**") for aggregate gross proceeds of approximately \$5,000,000 (the "**Offering**"). The net proceeds from the Offering will be on-lent to Trichome JWC Acquisition Corp. ("**TJAC**"), a subsidiary of the Company formed to acquire the assets of James E. Wagner Cultivation Corp. ("**JWC**"), to provide working capital as JWC continues to ramp sales over the coming months. The Offering is scheduled to close within the first two weeks of August 2020.

"Since April 9, 2020, Trichome Financial has led a transformational financial and operational restructuring of JWC that will result in an efficiently operated and market focused licensed producer poised to generate highly attractive returns on Trichome's invested capital. The proceeds of the offering will provide additional working capital for JWC to continue to scale production and distribution of premium value cannabis across Canada. We are grateful to the entire team at JWC, Trichome Financial and external advisors for their tireless efforts to position JWC for commercial success and look forward to exiting CCAA in the near term," commented Michael Ruscetta, CEO of Trichome Financial.

Convertible Debenture Details

Each Convertible Debenture will consist of one C\$1,000 principal amount unsecured convertible debenture of the Company. The Convertible Debentures will bear interest at a rate of 9.0% per annum, payable quarterly in arrears until maturity and will have a maturity date of 24 months from the date of issuance.

The Convertible Debentures will be convertible, at the option of the holder, into Trichome Financial common shares ("**Common Shares**") at any time prior to the close of business on the business day immediately preceding the maturity date, at a conversion price equal to C\$1.30 per Common Share (the "**Conversion Price**"). The Company will also have the right to require the holders of the Convertible Debentures to convert all of the principal amount of the then outstanding Convertible Debentures at the

Conversion Price if the five-day volume weighted average price of the common shares for each of the twenty trading days prior to the date the Company provides notice via press release is equal to or greater than 130% of the Conversion Price.

The Convertible Debentures and underlying securities to be issued under the Offering have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any state securities laws and may not be offered or sold in the United States or to U.S. Persons absent registration or an applicable exemption from registration. This press release is not an offer or a solicitation of an offer of securities for sale in the United States, nor will there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Update on Closing the Acquisition of JWC

On June 2, 2020, Trichome Financial 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 JWC. Closing of the Transaction is subject to the licensure of TJAC by Health Canada, among other conditions, and is expected to occur in the third quarter of 2020. JWC will continue to operate under creditor protection proceedings under the Companies' Creditors Arrangement Act until all conditions precedent to closing are satisfied.

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 Financial 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 or [@trichomefinance](https://twitter.com/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.

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 successful completion of the Offering, the expected closing date of the Transaction, and the pro-forma production and EBITDA expected for JWC. 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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