

Trichome Financial Closes Upsized \$6.2 Million Convertible Debenture Offering

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Net proceeds will be used to fund JWC working capital and general corporate purposes

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

TORONTO, ON / ACCESSWIRE / August 7, 2020 / Trichome Financial Corp. (the "**Company**" or "**Trichome Financial**") (CSE:TFC) is pleased to announce that the Company has closed its non-brokered private placement financing of convertible debentures (each a "**Convertible Debenture**") for aggregate gross proceeds of approximately \$6.2 million (the "**Offering**"). The Offering was first announced on July 23, 2020 and the size of the offering has increased from the initial amount of \$5.0 million.

Approximately \$5.0 million of the net proceeds 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**"), with the balance to be used by the Company for general working capital purposes.

Convertible Debenture Details

Each Convertible Debenture consists of one C\$1,000 principal amount unsecured convertible debenture of the Company and 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 are 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) 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 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 expected

closing date of the Transaction. 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.*

Contact Information

Michael Ruschetta, CEO

Telephone: (416) 467-5229

Email: info@trichomefinancial.com

Marc Charbin, Investor Relations

Telephone: (416) 467-5229

Email: marc.charbin@loderockadvisors.com

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