

Trichome Financial Announces Closing of \$8 Million Receivables Purchase Facility with Auxly Cannabis Group

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Launch of Trichome Financial Cannabis Private Credit LP with third-party investors

Facility enables Auxly to accelerate its cash conversion cycle with provincial distributors

Growing demand to factor receivables as non-dilutive source of capital

TORONTO, ON / ACCESSWIRE / August 14, 2020 / Trichome Financial Corp. ("**Trichome Financial**" or the "**Company**") (CSE:TFC) is pleased to announce the entry into a \$8.0 million Receivables Purchase Facility (the "**Facility**") with Auxly Cannabis Group Inc. ("**Auxly**") (XLY). The Facility will be available to several of Auxly's subsidiaries to finance accounts receivables from Canadian provincial distributors as well as other customers. Offering of accounts receivable for factoring will be at the discretion of Auxly and acceptance of any such accounts receivable for factoring will be at the discretion of Trichome Financial.

The Facility is being funded through Trichome Financial Cannabis Private Credit LP ("**Trichome Private Credit**" or the "**Fund**") with a majority of the commitments coming from third-party investors, alongside the Company's commitment to the Facility of \$500,000. This is the first bespoke financing facility provided by Trichome Private Credit, a credit investment fund structured for high net worth investors. Trichome Financial is the general partner of the Fund and will be responsible for the servicing and administration of the Facility. Trichome Financial will earn certain fees as administrator, originator and participant in the Fund.

"This transaction represents a landmark for Trichome Financial as we have now officially welcomed third-party investors into Trichome Private Credit. Launching a fund for investors has been part of our strategy since inception, and we are thrilled to have executed on our plan in difficult market conditions. The Fund will offer greater financial flexibility for Trichome Financial to close on our pipeline of bespoke transactions and diversify our revenue base. We are excited to partner with Auxly given its strategy to differentiate itself through the production and sale of quality flower, edibles and vape products. We will continue to seek similar opportunities across the cannabis value chain with companies that can demonstrate a competitive advantage with a promising business model," commented Michael Ruscetta, CEO of Trichome Financial.

Facility Details

The Facility provides Auxly with up to \$8.0 million of non-dilutive capital, to be drawn against qualifying receivables and matures in 12 months. Trichome Private Credit will advance 80% of the face amount of qualifying receivables, allowing Auxly to finance up to \$10.0 million of accounts receivable. Obligations of Auxly and its subsidiaries under the Facility are secured by a first-ranking perfected security interest in cannabis-related accounts receivable and is guaranteed by Auxly and several of its subsidiaries.

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 have 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.

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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 Company's ability close new transactions from its pipeline of opportunities and diversify its revenue base. 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.

Contact Information

Michael Ruscetta, 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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