

TIMIA Announces \$10 million in Subscription Agreements for Second Limited Partnership

~Accessing non-dilutive capital for its fintech platform and recurring revenue financing model~

VANCOUVER, BC, July 16, 2020 /CNW/ - TIMIA Capital Corporation ("TIMIA" or the "Company") (TSXV: TCA) (OTC: TIMCF) today announced that it has received approximately \$10 million (US\$7.5 million) in subscription agreements towards the second Limited Partnership ("LP2"). The Company expects to complete the first closing on or before July 21, 2020. All funds are in Canadian dollars unless otherwise stated.

LP2 will build on the successful closing of the first limited partnership ("LP") in 2019 which raised \$18 million. Upon completion of customary closing conditions for LP2, TIMIA will have approximately \$10 million of new capital to invest in software-as-a-service ("SaaS") companies in North America as its assets under management ("AuM") increases 34% from approximately \$29 million to \$39 million. Similar to the first LP announced in 2019, management expects to have further closing in LP2, which will further increase AuM over the next 12 months.

"Our increased AuM and related investment capacity provides the resources for us to drive additional investments, revenue, and ultimately reach our goal of profitability," said Mike Walkinshaw, CEO of TIMIA. "The LP structure provides the scalability to our non-dilutive capital acquisition strategy and allows us to continue investing in exciting SaaS companies through our fintech platform. I look forward to providing you with an update on additional investments in existing or new portfolio companies as they arise."

"TIMIA's existing portfolio continues to see stability through the COVID downturn, making this a robust asset class to lend to. As funding from traditional banks, venture capital and private equity funds is pulled back in light of the pandemic, Timia is seeing an increase in quality companies seeking growth capital through the next 12 months. TIMIA anticipates that this will allow TIMIA to continue to deliver strong risk adjusted returns to limited partner investors, while growing fee and performance revenue for common shareholders."

Transaction Highlights Include:

- Accretive to the Company with no dilution to the shareholders,
- TIMIA Capital will provide approximately 10% of the capital in LP2, continuing to earn interest revenue from the current investment portfolio while aligning interests with the limited partners,
- TIMIA will increase its consolidated cash position to approximately \$12 million,
- Total assets under management in the TIMIA portfolio of entities goes from approximately \$29 million to approximately \$39 million, representing a 34% increase,
- TIMIA, through a wholly-owned subsidiary, will receive a 1.5% servicing fee to manage LP2 as its GP,
- TIMIA will receive a performance fee based upon the profit of LP2 for the life of the fund, subject to investors achieving their preferred return first,
- LP2 is denominated in US dollars, reflecting the intention to invest a majority of the LP proceeds into US based companies, and
- LP2 can hold follow-on closes over the next 12 months, increasing the non-dilutive capital and assets under management.

TIMIA is continuously seeking new and exciting investments in the software as a service or SaaS industry. Under TIMIA's revenue-based financing model, TIMIA advances capital to SaaS businesses with recurring revenue streams allowing the portfolio company to make monthly

payments, which are a combination of principal and interest, to TIMIA with a repayment schedule sculpted to the portfolio company's revenue streams. The amounts advanced are secured and may be repaid early. TIMIA expects to make further investments in the coming months, in the pursuit of its business model, which is to earn a combination of monthly payments and periodic gains on investments.

About TIMIA Capital Corporation

TIMIA Capital Corporation is a specialty finance company that provides growth capital to technology companies in exchange for payments based on monthly revenue. This alternative financing option complements both debt and equity financing, while allowing entrepreneurs and existing stakeholders to retain ownership and control of their business. TIMIA's singular focus is the fast growing, global, business-to-business Software-as-a-Service (or SaaS) segment. We align ourselves with entrepreneurial management teams growing their sales from \$2 million to \$20 million in Annual Recurring Revenue. For more information about TIMIA Capital Corporation, please visit www.timiacapital.com

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Forward-Looking Information

Certain information and statements in this news release contain and constitute forward-looking information or forward-looking statements as defined under applicable securities laws (collectively, "forward-looking statements"). Forward-looking statements normally contain words like 'believe', 'expect', 'anticipate', 'plan', 'intend', 'continue', 'estimate', 'may', 'will', 'should', 'ongoing' and similar expressions, and within this news release include any statements (express or implied) respecting expectations that the Company will form LP2 and the anticipated closing date, the size and structure of LP2, that LP2 will build on the successful closing of the first limited partnership, that TIMIA will have approximately \$10 million of new capital to invest in software-as-a-service, that management expects to have further closes in LP2, further increasing AuM over the next 12 months, the future profitability of the Company, TIMIA continuing to deliver strong risk adjusted returns to limited partner investors, while growing fee and performance revenue for common shareholders and expectations that TIMIA will make further investments in the coming months. Forward-looking statements are not guarantees of future performance, actions, or developments and are based on expectations, assumptions and other factors that management currently believes are relevant, reasonable and appropriate in the circumstances, including, without limitation, the following assumptions: the conditions to closing the LP2 financing will be satisfied, including LP2 receiving subscriptions for a minimum of \$7,500,000 USD, the receipt of necessary approvals, that the Company and its investee companies are able to meet their respective future objectives and priorities, assumptions concerning general economic growth, the Company being able to obtain financing on acceptable terms, the Company's ability to attract and retain skilled staff, the absence of unforeseen changes in the legislative and regulatory framework for the Company, the COVID-19 pandemic not having a material impact on the Company's operations, the products and technology offered by the Company's competitors and the Company's ability to protect intellectual proprietary rights. Although management believes that the forward-looking statements are reasonable, actual results could be substantially different due to the risks and uncertainties associated with and inherent to Timia's business. Material risks and uncertainties applicable to the forward-looking statements set out herein include, but are not limited to, the risk that the conditions to completion of the transaction will not be satisfied; an event, change or other circumstance that could give rise to the termination of the transaction will occur; the risk that required regulatory approvals are not received; worldwide pandemics, such as the recent outbreak of the novel coronavirus COVID-19, may adversely impact multiple aspects of the Company's business; the Company having insufficient financial resources to achieve its objectives; uncertainty as to the Company's ability to raise additional funding; availability of further investments that are appropriate for the Company on terms that it finds acceptable or at

all; successful completion of exits from investments on terms that constitute a gain when no such exits are currently anticipated; intense competition in all aspects of business; reliance on limited management resources; the Company's dependence upon certain key personnel and their loss could adversely affect the Company's ability to achieve its business objectives; general economic risks; new laws and regulations, risk of litigation, the Company may not achieve its publicly announced business objectives according to schedule, or at all; the Company's success depending upon its ability to protect its intellectual property and its proprietary technology; the price of the Company's shares may be subject to fluctuation in the future based on market conditions; the Company's success depends on its ability to effectively manage growth; and significant disruptions of information technology systems or security breaches could adversely affect the Company's business. Although Timia has attempted to identify factors that may cause actual actions, events or results to differ materially from those disclosed in the forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, predicted, estimated or intended. Also, many of the factors are beyond the control of Timia. Accordingly, readers should not place undue reliance on forward-looking statements. Timia undertakes no obligation to reissue or update any forward-looking statements as a result of new information or events after the date hereof except as may be required by law. All forward-looking statements contained in this news release are qualified by this cautionary statement.

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For further information: Darren Seed, Vice President, Capital Markets & Communications, Mike Walkinshaw, CEO, TIMIA Capital Corporation, (604) 398-8839, IR@timiacapital.com

CO: TIMIA Capital Corp.

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