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Trading Symbol: TCC

## TRENCHANT CAPITAL PROVIDES CORPORATE UPDATE

VANCOUVER, BC – Trenchant Capital Corp. (CSE: TCC) (“Trenchant” or the “Company”) is providing an update on the status of its private equity investments following an assessment of the impact from the COVID-19 pandemic (the “Pandemic”).

### Waiward Industrial

Pursuant to a loan agreement dated March 2, 2017, the Company made loans of CAD\$7,744,000.00 to Waiward Industrial Limited Partnership (“Waiward”), one of Canada’s largest steel fabricators and erectors. These loans which were financed through the offering of convertible debentures by the Company which debentures are listed on the Canadian Securities Exchange (the “CSE”) under the symbol TCC.DB. The Pandemic and a slump in global oil prices initially had an impact on Waiward’s projects, resulting in below budget revenues for Waiward in the first two quarters of 2020. Waiward remained open during the province wide shut down in Alberta, being declared an essential service. Fortunately, Waiward had a large backlog of work and a strong balance sheet heading into the Pandemic and the business has returned to relative normal levels as projects and sites developed effective plans to proceed during the Pandemic. Waiward had a profitable 2020 and has entered 2021 with forecasts and a backlog of sales that indicate an improvement in sales and profitability for the year. Waiward expects business to remain stable for the balance of the year while it continues to secure work with its major customers.

To date, Trenchant has paid an aggregate of \$2,672,357.06 in interest payments to the holders of the TCC.DB debentures. At a trading price of \$70.00 the TCC.DB debentures, yield to maturity is approximately 51%.<sup>(1)</sup> The loan matures on March 22, 2022. Please visit [www.waiward.com](http://www.waiward.com) to learn more about Waiward.

### Omni

Pursuant to a loan agreement made in December 2017, the Company has made loan of CAD \$12,183,000.00 to the parent company of Omni Health Investments Inc. (“Omni”), one of Canada’s largest long-term care home operators. These loans which were financed through the offering of convertible debentures by the Company which debentures are listed on the CSE under the symbol TCC.DB.A. Omni, along with the rest of the long-term care sector in Ontario, was impacted by the Pandemic in terms of operations; however, support from the government muted any material volatility in terms of cash flows and earnings. Omni currently has no long-term care homes with a Pandemic outbreak. During the Pandemic, long term care homes were declared in outbreak by public health agencies whenever one or more staff or residents were confirmed with COVID-19. At various times Omni had up to 4 homes experiencing wider-scale outbreaks, but in every case the outbreaks were able to be

staffed and managed internally by Omni management, working with public health partner organizations. Omni was early to adopt procedures and policies to minimize and slow down the spread of COVID including cohorting residents and staff, limiting visitors, screening, and shifting eating in dining halls to rooms. Omni maintained a stock of personal protective equipment (“PPE”) in advance of the Pandemic and continued to ensure sufficient available PPE throughout. Although the majority of staff and residents have now been vaccinated, Omni homes remain diligent in ensuring infection prevention and control procedures (“IPAC”) and directives are followed, including universal masking, screening and providing regular rapid tests to essential visitors and staff. The Ontario Ministry of Health has limited occupancy in homes where there are more than 2 beds per room during the Pandemic but committed to funding all homes as if they were 100% occupied. The province of Ontario still has a healthy waitlist, so Omni’s occupancy rate has remained stable, after giving effect to the limitation. The Ministry has also increased funding in the nursing envelope to cover emergency pay, increased PPE costs and to offset increased costs due to operational changes. Omni’s management is confident that stable financial performance will continue beyond the Pandemic, and it does not expect any material changes.

To date, Trenchant has paid an aggregate of \$2,510,700.28 in interest payments to the holders of the TCC.DB.A debentures. At a trading price of \$60.00 the TCC.DB.A debentures, yield to maturity is approximately 40%.<sup>(1)</sup> The loan matures on January 27, 2023. Please visit [www.omniway.ca](http://www.omniway.ca) to learn more about Omni.

### **About Trenchant**

The Company aims to become a diversified investment and venture capital firm with a focus on providing special situation debt and equity financing to companies with a proven track record. The Company expects to benefit from its strategic alliance with Hillcore, a leading independent Canadian investment and advisory firm, that grants the Company rights of first negotiation to provide financing and management services to Hillcore’s pipeline of current and future private equity investments.

### **ON BEHALF OF THE BOARD TRENCHANT CAPITAL CORP.**

Per: *“Eric Boehnke”*  
Eric Boehnke, CEO

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**(1) Yield to Maturity Calculations**

The yield to maturity is calculated using the following formula;

Yield to maturity (YTM) = [(Face value/Market value)<sup>1/Time period</sup>]-1.

For the TCC.DB (Waiward) debentures, the yield to maturity of 51% used the following values: Face Value = 100, Market Value = 70, Term to Maturity = 0.94 Years (March 22, 2022), Coupon = 9% (\$2.25 paid quarterly cash).

For the TCC.DB.A (Omni) debentures, the yield to maturity of 40% used the following values: Face Value = 100, Market Value = 60, Term to Maturity = 1.79 Years (Jan 27, 2023). Coupon = 8% (\$2 paid quarterly cash).

**Disclaimer for Forward-Looking Information**

*This news release contains forward-looking information that involve various risks and uncertainties regarding future events. Such forward-looking information can include without limitation statements based on current expectations involving a number of risks and uncertainties and are not guarantees of future performance of the Company, such as statements about the financial and operational projections of Waiward and Omni. There are numerous risks and uncertainties that could cause actual results and the Company's plans and objectives to differ materially from those expressed in the forward-looking information, including the unknown magnitude and duration of the effects of the Pandemic and other risks that are customary to businesses of similar to the Company's business. Actual results and future events could differ materially from those anticipated in such information. These and all subsequent written and oral forward-looking information are based on estimates and opinions of management on the dates they are made and are expressly qualified in their entirety by this notice. Except as required by law, the Company does not intend to update these forward-looking statements.*

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