

August 1, 2019

DIONYMED



DionyMed Announces Issuance of US\$2,000,000 Secured Convertible Note to Gotham Green Partners

TORONTO--(BUSINESS WIRE)-- DionyMed Brands Inc. ("DionyMed" or the "Company") (CSE:DYME) (OTCQB:DYMEF), a multi-state cannabis brands, distribution and direct-to-consumer delivery platform, announced today it has issued a US\$2,000,000 secured convertible note (the "Note") to Gotham Green Partners ("GGP"), an investor in the global cannabis industry. The Company intends to use the proceeds from the issuance of the Note for general corporate purposes.

The Note bears interest from the date of issue at LIBOR +12.5% per annum. During the first six months, interest may be paid-in-kind ("PIK") at the Company's option such that any amount of PIK interest will be added to the outstanding principal of the Note.

In connection with the issuance of the Note, GGP has also been issued 1,671,151 warrants ("Warrants") with an exercise price of CAD\$1.58, each of which is exercisable to purchase one subordinate voting share ("Subordinate Voting Shares") of the Company for a period of 36 months from the date of issue. The Company shall have the right prior to December 31, 2019 to make a one-time prepayment at 125% ("One-Time Prepayment Option") of the outstanding principal amount of the Note and GGP shall forfeit its conversion right. If the Company elects to exercise the One-Time Prepayment Option, then the warrant coverage shall be reduced by 50%.

The Note (including all accrued interest thereon) is convertible at any time at the option of the holder, into Subordinate Voting Shares at a price equal to CAD\$1.45, which represents 115% of the 10-day volume-weighted average price of the Subordinate Voting Shares on the Canadian Securities Exchange prior to the execution of the term sheet with respect to the Note (converted to US dollars).

The Warrants and any Subordinate Voting Shares issuable upon conversion of the Note or exercise of the Warrants will be subject to a four-month hold period from the date of issuance of the Note and the Warrants, as applicable, in accordance with applicable Canadian securities laws.

In connection with issuing the Note, DionyMed's Credit Agreement is also being amended to reflect an increase in the interest rate from LIBOR (at a floor of 0%) + 8% to LIBOR (at a floor of 2.5%) + 10%, to be in line with the Note including all other Credit Agreement fees.

To be added to the DionyMed e-mail distribution list, please e-mail DionyMed@kcsa.com with DionyMed in the subject line.

About DionyMed

Founded in 2017, DionyMed is a multi-state cannabis brands, distribution and delivery platform, supporting cultivators, manufacturers and award-winning brands in the medical and adult-use cannabis markets. DionyMed sells branded products in every category from flower to vape cartridges, concentrates and edibles. DionyMed serves cannabis consumers through retail dispensary distribution and direct-to-consumer fulfillment with its growing portfolio of award-winning brands. Learn more at dionymed.com and follow @DYME_Inc on Twitter and LinkedIn.

Forward-Looking Information and Statements

This news release does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States. The securities referenced herein have not been and will not be registered under the United States Securities Act of 1933, as amended, or any applicable state securities laws and may not be offered or sold absent such registration or an applicable exemption therefrom.

This news release contains certain "forward-looking information" within the meaning of applicable Canadian securities legislation and may also contain statements that may constitute "forward-looking statements" within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Such

forward-looking information and forward-looking statements are not representative of historical facts or information or current condition, but instead represent only the Company's beliefs regarding future events, plans or objectives, many of which, by their nature, are inherently uncertain and outside of the Company's control. Generally, such forward-looking information or forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or may contain statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "will continue", "will occur" or "will be achieved" and include, without limitation, statements related to the terms of the Note and the Warrants and the use of proceeds. Although the Company believes that the assumptions and factors used in preparing, and the expectations contained in, the forward-looking information and statements are reasonable, undue reliance should not be placed on such information and statements, and no assurance or guarantee can be given that such forward-looking information and statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information and statements. The forward-looking information and forward-looking statements contained in this press release are made as of the date of this press release, and the Company does not undertake to update any forward-looking information and/or forward-looking statements that are contained or referenced herein, except in accordance with applicable securities laws. All subsequent written and oral forward-looking information and statements attributable to the Company or persons acting on its behalf is expressly qualified in its entirety by this notice.

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