

NEWS RELEASE

Tumalo Announces the Appointment of CannXperts as Receiver under Oregon State Law

2024-09-11

Order Appointing Receiver, Stays Creditors from Enforcing Claims

PORLAND, Ore., Sept. 11, 2024 (GLOBE NEWSWIRE) -- Tumalo Holdings, LLC ("Tumalo" or the "Company") announced today that the Circuit Court of the State of Oregon has entered an order granting the appointment of an Oregon state receiver (the "Receivership Order") over the Company and its subsidiaries (the "Receivership Entities"). Tumalo does business under the well-known brands Dr. Jolly's, Local Leaf, Parlour Cannabis Shoppe, and The Herb Center.

The Receivership Order appoints Rogue50, Inc. dba CannXperts as receiver (the "Receiver") over the business, assets, and property of the Receivership Entities and grants a broad stay of proceedings against them or their property. The intent of the receivership proceeding is to, among other things, protect the value of the Receivership Entities for the benefit of its creditors and stakeholders.

In accordance with the Receivership Order, all creditors of the Receivership Entities will be stayed from enforcing their claims. The goal of the stay is to allow Tumalo's day-to-day operations to continue largely uninterrupted, and provide Tumalo with additional time to consider potential restructuring transactions, including a sale and investment solicitation process to explore potential strategic options and alternatives.

With five meticulously curated dispensaries in Bend and Portland, two state-of-the-art cultivation facilities, and a cutting-edge extraction center, Tumalo has established a reputation as a premier destination for cannabis enthusiasts across Oregon. Under the stewardship of its dynamic management team, Tumalo has honored its obligations to its trade creditors, provided well-paying jobs for nearly 100 employees, and become a leader in supplying high-quality cannabis products to a multitude of loyal customers. The Receiver anticipates that sustaining

these relationships will be of paramount importance to Tumalo's continuing vitality. The Receivership Entities appear to be generally cash flow positive but for the legacy debt which precipitated the Receivership Order.

While the outcome of the receivership process is relatively uncertain, and Tumalo can offer no assurances that any potential restructuring transactions will be available on terms acceptable to Tumalo, its stakeholders and creditors, the courts, or at all, Tumalo hopes to exit the receivership process well-positioned to continue to develop its partnerships with vendors and to serve its valued clientele with the high level of products and service they have come to expect.

Forward-Looking Information

This news release includes forward-looking information and statements, which may generally be identified by the use of the words "will", "continues", "anticipates" and "intends" and variations or similar expressions which include, but are not limited to, information and statements regarding or inferring the future business, operations, financial performance, prospects, and other plans, intentions, expectations, estimates, and beliefs including, without limitation, the date of any future court appearance or update; the Company's plans with respect to potential restructuring transactions; and potential benefits of a restructuring transaction.

Forward-looking information and statements involve and are subject to assumptions and known and unknown risks, uncertainties, and other factors which may cause actual events, results, performance, or achievements of Tumalo to be materially different from future events, results, performance, and achievements expressed or implied by forward-looking information and statements herein. Such assumptions, risks, uncertainties and other factors include, but are not limited to, that the stay will have the effect contemplated by Tumalo in providing it with additional time to consider restructuring transactions and that the restructuring process and Tumalo's ability to meet its obligations proceed on the basis anticipated by Tumalo or at all. Although Tumalo believes that any forward-looking information and statements herein are reasonable, in light of the use of assumptions and the significant risks and uncertainties inherent in such information and statements, there can be no assurance that any such forward-looking information and statements will prove to be accurate, and accordingly readers are advised to rely on their own evaluation of such risks and uncertainties and should not place undue reliance upon such forward-looking information and statements. Any forward-looking information and statements herein are made as of the date hereof, and except as required by applicable laws, Tumalo assumes no obligation and disclaims any intention to update or revise any forward-looking information and statements herein or to update the reasons that actual events or results could or do differ from those projected in any forward looking information and statements herein, whether as a result of new information, future events or results, changes in the receivership proceeding or otherwise, except as required by applicable laws.

Additional inquiries may be directed to:

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Source: CannXperts