

Tier One Capital Limited Partnership Announces Change in Valuation of a Portfolio Company

Toronto, Ontario--(Newsfile Corp. - December 14, 2018) - Tier One Capital Limited Partnership (CSE: TLP.UN) ("Tier One") announced today that it has adjusted the valuation of its holdings in its portfolio company, Intelligent Mechatronic Systems Inc. including its subsidiaries (the "Company") following the approval of the vesting and distribution order by the Ontario Superior Court of Justice (the "Court") and the closing of the sale of the assets of the Company on December 14, 2018. The Court approved, among other things, a transaction (the "Transaction") for the sale of substantially all of the Company's assets to Trak Global Group Limited ("Trak Global"), the vesting in Trak Global of all the Company's right, title and interest in the assets of the Company and the delivery of shares in Trak Global (the "Consideration Shares") to the senior lenders to the Company, which include Tier One.

Tier One estimates that the change in value of the Company upon the distribution of the Consideration Shares results in a decrease of approximately \$0.64 per Tier One LP Unit. The costs incurred by Tier One to affect the sale process and receivership has resulted in a cost of approximately \$0.45 per Tier One LP Unit.

Despite the adjustment to the valuation of the Company and the impact on the total assets of Tier One as a result of the Transaction, Management of Tier One and the Board of Directors of T1 General Partner Corp., the General Partner of T1 General Partner LP, the General Partner of Tier One (the "Board") believe that, going forward, the sale of the assets of the Company was the best course for the business of the Company. Under Trak Global, it is anticipated that the Company will be rationalized, and the operations will be supported with appropriate funding.

Trak Global operates a similar business in Europe, creating results-driven telematics solutions for the insurance, fleet, rental and automotive industries since 2009. Since the Company operates extensively in North America, the resulting Transaction represents ownership in a global telematics corporation with world-class technology. Management believes that there will be synergies through the combination of the Company and Trak Global, which will be reflected through an increase in the value of the Consideration Shares going forward.

All amounts presented are unaudited as of the date hereof and represent estimations based on information made available to Tier One. The final valuation adjustments are subject to continuing review and approval by the Board. The Audited Financial Statements of Tier One for the year ended December 31, 2018 will be made available on Tier One's SEDAR profile at www.sedar.com.

About Tier One Capital Limited Partnership

Tier One Capital Limited Partnership is a listed innovative specialty finance LP committed to providing Limited Partners with access to attractive yields. Tier One Capital focuses on providing rapidly growing Canadian companies with the working capital needed to execute their growth strategies and acquisition plans. Its primary focus is on companies with recurring or predictable revenue, with high gross margins. Tier One Capital's credit review criteria identifies opportunities that offer multiple avenues for repayment of principal, be it from operational cash flow, cash flow from tax credits or government grants or a sale of the business or other liquidity event. Tier One Capital is the lender of choice for entrepreneurs looking for growth capital financing in Canada.

Forward-looking Statements

This news release contains statements that may constitute "forward-looking statements" or "forward looking information" under applicable securities laws, including statements relating to Tier One and its plans, objectives, intentions and expectations as well as assumptions, including those regarding its future performance, the combination of the Company with Trak Global, any resulting rationalization or synergies, its ability to obtain funding and any increase in value of the Consideration Shares. Certain statements made in this news release that are not historical facts are also forward-looking statements. These forward-looking statements reflect management's current internal projections, expectations, intentions or beliefs and are based on information currently available to Tier One. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "estimate," "intend", "plan", "anticipate", "believe", "predict", "potential", "continue" or the negative of these terms or other comparable terminology. A number of factors could cause actual events or results to differ materially from those discussed in the forward-looking statements. Risks and uncertainties that could cause or contribute to such differences include, but are not limited to those described under "Risk Factors" in Tier One's most recent management information circular, which is available on SEDAR. The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement and Tier One cannot provide any assurance that forward-looking statements will materialize. The forward-looking statements included in this news release are made as of the date of this news release and Tier One undertakes no obligation to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise except as may be required by applicable securities laws.

FOR FURTHER INFORMATION PLEASE CONTACT:

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