FinCanna Capital A Royalty Company for the Licensed US Cannabis Industry Provides Corporate Update

written by Raj Shah | December 22, 2020

December 21, 2020 (Source) – FinCanna Capital Corp. ("FinCanna" or "the Company") (CSE:CALI)(OTCQB:FNNZF), a royalty company for the licensed U.S cannabis industry is pleased to provide a year-end update of its portfolio companies and objectives for 2021.

QVI Inc, doing business as **The Galley**, an 8,300 sq. ft. state of the art cannabis co-manufacturing facility located in Santa Rosa CA, is the Company's largest investment and moving forward is anticipated to provide the largest source of royalty revenue to FinCanna. The Galley is a "one stop shop" for brands looking for a co-manufacturer to provide large scale production and packaging for all types of edibles, topicals and tinctures in California. The Galley commenced its first full month of operations in July of this year and has already onboarded approximately 25 established brands, with a growing list of new customers each month. To visit The Galley's website: http://www.thegalleysr.com

Most of these current clients are small to mid-size brands, and for the past few months the Galley team has been focussing on securing much larger brands, including both established California brands and high-profile out of state brands looking to enter California, the largest market in the world. The Galley is close to formalizing agreements with a number of these large brands, and FinCanna anticipates it will be able to announce further details of these potential clients in early 2021.

The Galley's accomplishments are significant as it positions FinCanna for recurring high-margin royalty revenue. FinCanna expects to start receiving royalty payments from QVI in early 2021.

Cultivation Technologies Inc. ("CTI"), operating as **Coachella Manufacturing**, is a multifaceted concentrate manufacturer located in a new, fully licensed 5,200 sq. ft. facility in Palm Desert CA. CTI provides state-licensed, award winning, high-quality BHO concentrates for white label manufacturing, toll processing, and packaging to hand-selected brands and cultivators in California with a long list of clients. To visit the Coachella Manufacturing website: https://www.coachellamanufacturing.com

CTI has been operating for three years, and FinCanna and started receiving royalties in the second half of 2020. Their seasoned management team is also working on growing their core business and expanding into other large-scale activities that would likely result in a sizeable increase in royalty revenues to FinCanna.

eZGreen Compliance operates a HIPAA compliant point-of-sale (POS) software for cannabis dispensaries. This POS software delivers fully integrated management and multi-store functionality with state-of-the-art taxation and reporting for single-store, multi-store, and multi-state operators. It is also the only fully HIPAA (Health Insurance Portability and Accountability Act) compliant POS system and has a very attractive pricing model for dispensary owners. To visit the ezGreen website: https://www.ezgreencompliance.com/

On August 31st 2020, FinCanna announced the acquisition of ezGreen and in October completed the various items involved in the transition of ownership. Recently, ezGreen commenced a

marketing initiative with a highly regarded marketing partner that has excellent relationships with the vast majority of dispensaries throughout California.

Equipment Investment – FinCanna also owns approximately USD $850,000 of brand new, large scale extraction and distillation equipment that is in secure storage in California. The Company continues talks with several parties to monetize this asset by way of a direct sale, a business investment, a royalty agreement, or a combination of these. Management is confident this will occur in the coming months and look forward to announcing to our shareholders at that time.

2021 Outlook – Management expects to see a sizeable increase in royalty revenues which would start generating operating profits that will continue to grow. We have worked very closely with the management teams of all of our portfolio companies, and their leaders are all exceptionally focused and dedicated to the success of their businesses. While business disruptions due to wildfires and the pandemic delayed operations in 2020, the above investments have navigated through these difficult times and are now well positioned for growth.

On a macro level, the US Cannabis industry has also seen some very positive tailwinds. The outcome of the recent U.S. elections can pave the way for very positive ripple effects on the cannabis industry such as decriminalization, the removal of cannabis from Schedule 1 of the Controlled Substances Act and relaxation of banking restrictions, which would pave the way for larger investments into the sector. Any of these should be very positive for FinCanna shareholders. Since the election, there has already been a sizeable increase in valuations of cannabis companies operating in the U.S., and we believe real positive actions for the industry would continue to drive the valuations of these multi-state operators and other publicly traded US

cannabis businesses.

About FinCanna Capital Corp.

FinCanna is a royalty company that provides growth capital to rapidly emerging private companies operating in the licensed U.S cannabis industry. The Company earns its revenue from royalties paid by its investee companies that are calculated based on a percentage of their total revenues.

FinCanna's scalable royalty model provides an attractive alternative or complement to debt or equity financing for its investee companies. FinCanna is focused on delivering high impact returns to its shareholders by way of a strategically diversified investment portfolio.

For additional information visit www.fincannacapital.com

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Information set forth in this news release may involve forward-looking statements under applicable securities laws. Forward-looking statements are statements that relate to future, not past, events. In this context, forward-looking statements often address expected future business and financial performance, and often contain words such as "anticipate", "believe", "plan", "estimate", "expect", and "intend", statements that an action or

event “may”, “might”, “could”, “should”, or “will” be taken or occur, or other similar expressions. All statements, other than statements of historical fact, included herein including, without limitation, statements about how the developing U.S. legal regime will impact the cannabis industry, including any possible future changes to U.S. laws , regulations or policies that may follow from the changes in government resulting from the U.S. election, statements about FinCanna’s ability to source suitable projects, the size, capacity, and success of operations at CTI’s facility in Palm Desert and the timing thereof, and FinCanna’s ability to generate revenues therefrom and CTI’s client lists, and the market for, and effectiveness of QVI’s products or services, the ability of QVI to expand operations and generate revenues, and the success of operations of QVI and the timing thereof and QVI’s client lists, and statements about the market for, and effectiveness of, ezGreen software, the ability of Green Compliance to expand operations and generate sales and revenues, and FinCanna’s ability to fund and source future projects, FinCanna’s ability to earn and realize revenues from its investee companies, and statements about FinCanna’s ability to generate revenues and operating profits and the timing thereof.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the risks identified in FinCanna’s Annual Information Form and Management’s discussion and analysis available in FinCanna’s profile at www.sedar.com. and other reports and filings with the applicable Canadian securities regulators. Forward-looking statements are made based on management’s beliefs, estimates and

opinions on the date that statements are made, and the respective companies undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable securities laws. Investors are cautioned against attributing undue certainty to forward-looking statements. The Company assumes no responsibility to update or revise forward-looking information to reflect new events or circumstances unless required by applicable law.

SOURCE: FinCanna Capital Corp.

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