FinCanna Portfolio Company CTI Commences Cannabis Extraction and Manufacturing at New Palm Desert Facility

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March 4, 2020 (Source) – *New Facility Provides Increased Capacity Estimated at US$35m Per Year*

FinCanna Capital Corp. ("FinCanna") (CSE:CALI) (OTCQB:FNNZF) a royalty company for the U.S. licensed cannabis industry is pleased to announce that its portfolio company Cultivation Technologies, Inc. ("CTI") conducting business as Coachella Manufacturing, an award-winning cannabis extractor and manufacturer, has commenced production at its new facility in Palm Desert, California.

The new 5,200 sq. ft. state-of-the-art facility is purposefully designed to maximize workflow efficiencies, optimize productivity and reduce operating costs. Engineered for industrial scale, the facility has approximately over three-times the capacity of CTI's previous interim facility in Coachella, California, with a new estimated annual capacity of approximately US $35 million.

CTI, the first state-approved Butane Hash Oil ("BHO") manufacturer in California had been operating at its interim facility in Coachella since legalization in January 2018. Over the past two years, CTI has built a prominent reputation and loyal customer base of leading brands from across the state, having won numerous awards and first place finishes from industry-leading competitions including the prestigious Emerald

Cup, High Times, Kushstock Festival and Weedcon Wonderland.

Hank Casillas, COO & Director of CTI and former Division Vice President of multibillion-dollar health care enterprise CVS Health stated, “Moving into our permanent facility marks a new era for CTI. Our new facility will enable us to deliver even more high quality and innovative products with improved efficiencies. We are excited to demonstrate our market strengths to our customers, the industry and our shareholders.”

Andriyko Herchak, CEO of FinCanna Capital stated, “The announcement of CTI, our first investee company, relaunching production at its new state-of-the-art Palm Desert facility ushers in a new era of positive financial performance for FinCanna. Lead by an exceptional team in a facility purpose-built for rapid and cost-effective scalability we have every confidence in the future growth of CTI.”

The Palm Desert facility utilizes a BHO extraction method that allows for rapid and efficient extraction of cannabinoids. Premium manufacturing and processing equipment is deployed throughout the facility including high-performance sub-zero freezer storage for up to 10,000 lbs of biomass, which serves to preserve the integrity of cannabis in the creation of the highest quality shatter, wax, crumble, sauce diamonds and terpenes. CTI provides state-licensed high-quality concentrates for white label manufacturing, toll processing and packaging to hand-selected brands and cultivators across California.

Effective January 1, 2020, FinCanna is entitled to receive 10% of CTI’s top-line revenue in perpetuity, subject to certain buyback options, of which 5% is paid in cash monthly and 5% is deferred. The accrued deferred payment will be paid out upon certain triggering events, including a change of control, an initial public offering (“IPO”) or certain other specified

events of CTI. Additionally, FinCanna would be entitled to receive 25% to 50% of the gross sales proceeds of any change of control transaction with the final percentage to be determined according to certain predetermined parameters.

CTI is strategically located in the state of California, which is expected to post a record $US3.1 billion in licensed cannabis sales for 2019, solidifying its status as the largest legal cannabis market in the world. Legal sales are up approximately 23% from an approximate US $2.5 billion in 2018, the first year of licensed cannabis sales in California, according to recent analysis by sales-tracking firms Arcview Market Research and BDS Analytics.

About Cultivation Technologies Inc.

Cultivation Technologies is a multifaceted manufacturing and distribution organization. It provides state-licensed, high-quality BHO concentrates for white label manufacturing, toll processing and packaging to hand-selected brands and cultivators in California. CTI was also the 1st state-approved BHO manufacturer in the State of California. What makes CTI unique is its ability to develop proprietary processes that create new products that are being recognized as superior by the industry and consumer.

For more information about CTI's manufacturing capabilities, please visit its website at www.coachellamanufacturing.com

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 and FinCanna's profile at www.sedar.com.

FinCanna Capital Corp.
Andriyko Herchak, CEO & Director

Cautionary Note Regarding Forward-Looking Statements

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, statements about FinCanna's ability to source suitable projects, the size, capacity, and success of operations at CTI's interim extraction and manufacturing facility in Coachella and its new permanent in Palm Desert, CTI's ability to finance, develop and operate and complete the relocation to its permanent facility in Palm Desert, and FinCanna's ability to generate revenues therefrom. 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.