

# FinCanna Portfolio Company CTI Provides Positive Operational Update

written by Raj Shah | April 7, 2020

April 7, 2020 ([Source](#)) – ***Cannabis Deemed “Essential” – Licensed Manufacturers, Retailers and Dispensaries Authorized to Continue Operations Across California***

[FinCanna Capital Corp. \(“FinCanna”\) \(CSE: CALI\) \(OTCQB: FNNZF\)](#) a royalty company for the U.S. licensed cannabis industry is pleased to provide an operational update for its portfolio company [Cultivation Technologies, Inc. \(“CTI”\)](#) conducting business as Coachella Manufacturing (“CM”), an award-winning cannabis extractor and manufacturer.

As reported by the [California Bureau of Cannabis Control on Thursday, March 19, 2020](#), Governor Gavin Newsom issued a stay at home order to slow the spread of COVID-19. Additionally, the order identified certain services deemed to be “essential,” including food, prescriptions and cannabis. Accordingly, CTI as a properly licensed cannabis business is authorized to continue its normal extraction and manufacturing operations at its 5,200 sq. ft. state-of-the-art facility, launched in March of this year.

CTI has advised that since commencing operations approximately one month ago, it has completed numerous production runs and is shipping finished products to all customers as scheduled with all equipment performing efficiently and to specification. CTI also advises that demand remains strong from existing customers and that they continue to onboard new customers.

CTI further reports that its facility and all personnel are fully compliant with all governmental directives and guidelines relating to COVID-19 and will continue to do so. Additionally, they advise that they have not had to change any of their facilities production processes but are taking extra health precautions as directed.

Since the COVID-19 outbreak demand for cannabis products has remained strong across the state. [A recent survey by New Frontier Data](#) confirmed this growing demand nationally reporting that 29% of consumers reported an increase in their personal consumption as a response to COVID-19.

Hank Casillas, COO & Director of CTI and former Division Vice President of multibillion-dollar health care enterprise CVS Health stated, "Although we continue to monitor the impact of COVID-19 on our business and our industry, we are encouraged by reports from our customers and their customers that demand remains strong for cannabis products in California. It has been my experience that products like alcohol, health and beauty supplies grow during recessionary times. We are excited that cannabis is being recognized as an essential service and we are proud to continue our focus on delivering high quality and cost effective products to the marketplace."

Andriyko Herchak, CEO of FinCanna Capital added, "We join with the millions of voices around the world in our gratitude to those frontline health care providers leading the battle against the COVID-19 epidemic. As we collectively search for a path forward, we are encouraged as the state of California identified cannabis as an "essential service". This action is a powerful catalyst in stimulating economic growth across the entire cannabis supply chain. We are also encouraged that the CTI team is fully operational and continues to experience increasing demand from existing and new customers. Additionally, we wish to

advise that FinCanna has a strong cash position of approximately \$3 million that will allow us to meet our obligations as our investee companies generate cash flow providing us with sustainable long-term royalty income.”

To date, FinCanna has fully funded its [royalty investment](#) commitment to CTI including a previously announced bridge loan of US\$250,000 to provide working capital as CTI ramps up its Palm Desert operations. The new facility is expected to have an estimated annual capacity of approximately US\$35 million. FinCanna earns a royalty of 10% of CTI’s top-line revenues, with 5% paid in cash and 5% deferred.

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 \$US2.5 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.

Mr. Bob Kamm, for personal reasons, has resigned from FinCanna’s Board of Directors effective today. FinCanna’s management and board thank Bob for all of his contributions and wish him the very best.

### **About Cultivation Technologies Inc.**

Cultivation Technologies, operating as Coachella Manufacturing is a multifaceted cannabis manufacturing and distribution company. 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 1<sup>st</sup> 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 consumers.

Located in its new state-of-the-art 5,200 sq. ft. Palm Desert California facility, CTI 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.

For more information about CTI's manufacturing capabilities, please visit its website at [www.coachellamanufacturing.com](http://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](http://www.fincannacapital.com) and FinCanna's profile at [www.sedar.com](http://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](http://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.*