FinCanna Provides Update on Portfolio Company QVI Inc., a Multi-Brand Cannabis Manufacturer in Sonoma County, California

written by Raj Shah | September 30, 2019

September 30, 2019 (Source) – **QVI Reports Greater Than Anticipated Initial Demand**

FinCanna Capital Corp. ("**FinCanna**") (CSE: CALI), (OTCQB: FNNZF), a royalty company for the U.S. licensed cannabis industry is pleased to report that its portfolio company QVI Inc., a cannabis infused product manufacturer located in Sonoma County, California, is experiencing greater than initially anticipated demand for its manufacturing services.

QVI reports that demand for its services from both in-state and out-of-state clients is substantially exceeding its previous estimates. Based on this demand, revenue from the first 12-months, upon commencement of commercial production, originally projected to meet or exceed US$7 million has now increased to over US$10 million with significant remaining capacity. Furthermore, revenue is expected to continue to escalate as marketing efforts utilizing the founders' wide network of industry participants gains additional momentum.

QVI is currently completing the build out of its 8,300 square foot facility in Santa Rosa, CA and expects to be in full commercial operation in Q4. QVI management reports that all local permits and state licensing are on track and operating

procedures, food safety guidelines and human resource requirements are in place. Additionally, QVI has upgraded their equipment specifications to increase throughput. They have also reconfigured their production flow adding certain capabilities that also support faster and more efficient product processing. These improvements will significantly increase the overall output capacity of the plant as it ramps to full production.

Annie Holman, Co-Founder, QVI Inc. stated, “Since post legalization in California, cannabis brands have had limited places to process their products, as the law requires a licensed permitted facility, and we have that. We are seeing smaller scale manufacturing facilities coming online focusing on one or two areas of production; we stand out as we can process many types of products all in one place, which is a big plus to our client brands, since most brands have more than one item in their product line-up.”

The manufacturing facility known as “The Galley”, is built to FDA and CDPH standards and is focused on high demand areas of production – Edibles, Topicals, Tinctures, Chocolate, Hard Candies and Gummies. “The Galley” will be differentiated from its peers by its automated capabilities to produce virtually all high-value cannabis products under one roof. This one-stop production expertise is attractive to top tier in-state and out-of-state brands. The premium equipment and operational design will allow “The Galley” to rapidly scale production as demand escalates.

“This strong increase in customer demand is great news for the QVI team and FinCanna shareholders,” said Andriyko Herchak, CEO of FinCanna Capital. “We are also impressed with the smart decisions the team has made to greatly expand capacity of the facility which will ultimately have substantial effect on the respective bottom-lines of both our companies as we move from

completing construction and pre-operations to full production in Q4.”

According to the Royalty Agreement, FinCanna will fund QVI Inc. US$3 million in tranches. To date US$2.125 million has been advanced with the remaining US$875,000 to be advanced upon certain milestones being met. FinCanna will receive a tiered corporate royalty, adjusted based on revenue levels, ranging from 15% to 6% of QVI’s total revenues, with the top royalty rate of 15% on the first US$20 million of annual sales until cumulative royalties to FinCanna of US$10 million.

The principals of QVI have decades of award-winning edibles manufacturing and food production experience. Co-founder, President and CEO Gina Pippin has 23 years of business and financial management and decades long experience in efficient production management and food safety. Co-founder, Annie Holman, has had a career spanning 25 years in marketing and media. She is a former co-owner of Derby Bakery Cannabis Edibles that produced high-end, award-winning products, winning several “Emerald Cup – Best Edibles” honours as well as first and second place prizes from “Edibles List – Best of Awards.”

About QVI Inc.

QVI, which stands for Quality, Value, Integrity, is based in Sonoma County, California. In addition to producing its own line of cannabis infused products, “BIG FISH”, QVI operates a premier contract manufacturing company, “The Galley”, for infused baked good, chocolates, candies, gummies, topicals, tinctures and beverages. Focused on quality and efficiency, QVI creates top-notch product at value prices. QVI’s immediate goal is to become the premier contract manufacturer in California, the largest single market in North America and, upon success, to license products nationally and globally.

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

Forward-Looking Information

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 the market for, and effectiveness of, QVI products or services, the ability of QVI to expand operations and generate sales and revenues, the results of operations of QVI and the timing thereof, the

completion of FinCanna's investment in QVI, FinCanna's ability to fund and source future projects, and FinCanna's ability to earn and realize revenues from its investee companies. 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 the CSE listing statement available 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 undertake 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.