FinCanna Signs Royalty Agreement with Multi Brand Manufacturer, QVI, of Sonoma County, California

written by Raj Shah | January 31, 2019
January 31, 2019 (Source) – *FinCanna agrees to Royalty Financing with Infused Products Manufacturer*

FinCanna Capital Corp. ("**FinCanna**") (CSE: CALI), (OTCQB: FNNZF), a royalty company for the U.S. licensed medical cannabis industry is pleased to announce that it has signed a Royalty Agreement with QVI, Inc. which stands for, Quality, Value, Integrity, doing business as "The Galley", a cannabis infused product manufacturer located in Sonoma County, California.

QVI is strategically located in Sonoma, California, between the famed Emerald Triangle and the greater San Francisco Bay Area. QVI is currently refitting its 8,300 square foot facility in Santa Rosa, CA with dedicated spaces for a large-scale commercial kitchen for baked goods, chocolate products and a hard candy and gummy line. The facility will also have a designated area for contract manufacturing for additional products including topicals and tinctures, vapes, pre-rolls, flower assembly and packaging services.

"We are very pleased to complete our royalty agreement with QVI and their exceptional team," said Andriyko Herchak, CEO of FinCanna Capital. "Our investment will accelerate QVI's growth strategy to move rapidly into the manufacturing, order fulfillment and customer acquisition phases of its development in the state of California from its home in Sonoma County. This

is also a great fit for our portfolio as it provides additional diversification, and with QVI's potential for rapid scalability, a strong impact to our bottom line moving forward."

QVI's immediate goal is to become the premier contract manufacturer in California, the largest single market in North America. Its customer base will include legacy companies already on dispensary shelves, new entrepreneurs with creative IP, and out-of-state brands looking to enter the California market. Additionally, "The Galley" will produce its own line of branded products, "Big Fish Edibles".

The principals' of QVI have decades of award-winning edibles manufacturing and food production experience in California. 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 the former owner of California-based 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."

QVI is currently executing its three-phase development program to culminate in full commercial operation expected in April 2019:

Phase one accomplishments include the procurement of an 8,300 square foot food production space built to FDA and CDPH standards; key staff has been identified and retained; manufacturing equipment is identified, and architects and engineers have completed the facility design to optimize output and return on investment. Construction to re-fit the facility has commenced and is scheduled for completion in mid-march.

Phase two involves completing the manufacturing facility build-out and the acquisition of the required California state issued cannabis licenses. QVI has been granted its Minor Conditional Use Permit, by the Santa Rosa Zoning Administrator to operate a cannabis manufacturing level 1 (non-volatile) and distribution facility. Based on its municipal approval the company is now positioned to submit for its annual distribution and manufacturing licenses to the appropriate California State agencies which is expected to take 8-12 weeks.

Phase three begins with the launch of commercial production planned for April 2019 to immediately begin filling existing orders. In the last 3 months, QVI has vetted over 70 potential cannabis operators requiring contract manufacturing services for a wide variety of products. Currently the company has secured MOUs from large, well-established brands in other U.S. States seeking to expand to California, operators already in the California market and from well-funded start-up brands throughout California. Based on these initial MOU's alone, first year revenue is projected to be in excess of US$5 million and expected to increase substantially as operations and marketing efforts utilizing the principals wide network of industry participants is activated.

Annie Holman, co-founder of QVI, has had a career spanning 25 years in Marketing, Media / PR, Graphic Design & Creative Direction. She is the former owner of California-based Derby Bakery Cannabis Edibles, an artisan bakery operated under Prop 215 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." Annie has been immersed in the California Cannabis industry since 2014 as an advocate, producer, distributor and brand ambassador and has established a deep network of cannabis contacts and connections.

Gina Pippin brings 23 years of business and financial management to QVI as co-founder, President and CEO. Previously an executive of a California-based seafood production company with annual revenues of ~$50 million, Gina's decades long experience in efficient production management and food safety compliance will help QVI to reach its goal of producing top quality product at value prices.

According to the Royalty Agreement, FinCanna will fund US$3 million in tranches. An initial tranche of US$1.25 million will be advanced shortly with additional tranches to follow in April and July of 2019, subject to certain milestones being met. In return FinCanna will receive a tiered corporate royalty, adjusted based on revenues 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.

About QVI

In addition to producing its own line of cannabis infused products, "BIG FISH", QVI, Inc. operates a premier contract manufacturing company, The Galley, for infused baked good, chocolates, candies, gummies, topicals, tinctures, vapes / pre-rolls and beverages. Focused on quality and efficiency, QVI, Inc. creates top-notch product at value prices.

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 projected 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.