

# TransCanna™

A graphic element consisting of several curved, parallel lines in shades of green and yellow, resembling a stylized leaf or a fan, positioned to the right of the word 'Canna' in the logo.

**TRANSFORMING THE CANNABIS INDUSTRY THROUGH BRANDING, DESIGN & LOGISTICS**

Investor Presentation July, 2018

A preliminary prospectus containing important information relating to the securities described in this document has been filed with the securities regulatory authorities in the provinces of British Columbia, Alberta and Ontario. A copy of the preliminary prospectus, and any amendment, is required to be delivered with this document. The preliminary prospectus is still subject to completion. There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final prospectus has been issued. This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the preliminary prospectus, the final prospectus and any amendment for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

## **NOT FOR DISSEMINATION IN THE UNITED STATES**

This presentation relates to an entity that is expected to indirectly derive a substantial portion of its revenues from the cannabis industry in California. While the state of California has authorized the cultivation, manufacture and sale of cannabis and cannabis-related products for both medical and adult-use, cannabis remains illegal under U.S. federal law and the approach to enforcement of U.S. federal laws against cannabis has been subject to change. The Company is indirectly involved, through its wholly-owned subsidiaries, in the U.S. cannabis industry, insofar as the principal business activities of the Company are the branding and management of transport and distribution activities of cannabis and cannabis-related products for state-licensed operators (“Licensed Operators”) engaged in the cultivation, manufacture and sale of cannabis in California. Neither the Company nor any of its subsidiaries own an interest in Licensed Operators engaged in the cultivation and manufacture of cannabis or cannabis-related products, and as such, the Company does not have direct cannabis operations in California but operates a model with material ancillary involvement. The Company plans to become involved in the distribution and sale of cannabis and cannabis-related products in the near future and will then have direct cannabis operations. It is anticipated that the Company will operate initially only in California but may expand its operations to such other U.S. states that allow participation in the cannabis industry under local state law.

The cultivation, sale and use of cannabis and cannabis-related products is illegal under federal law pursuant to the U.S. Controlled Substances Act (the “CSA”). Under the CSA, the policies and regulations of the United States Federal Government and its agencies are that cannabis has no medical benefit and a range of activities including cultivation, sale and the personal use of cannabis is prohibited. The Supremacy Clause of the United States Constitution establishes that the United States Constitution and federal laws made pursuant to it are paramount to those of the states and in case of conflict between federal and state law, the federal law shall apply.

Despite the current state of the federal law and the CSA, the states of California, Nevada, Massachusetts, Maine, Washington, Oregon, Colorado, Vermont and Alaska, and the District of Columbia, have legalized recreational use of cannabis. Massachusetts and Maine have not yet begun recreational cannabis commercial operations. In early 2018, Vermont became the first state to legalize the use of recreational cannabis by passage in a state legislature but does not allow commercial sales of recreational cannabis. Although the District of Columbia voters passed a ballot initiative in November 2014, no commercial recreational operations exist because of a prohibition on using funds for regulation within a federal appropriations amendment to local District spending powers.

In addition, over half of the U.S. states have enacted legislation to legalize and regulate the sale and use of medical cannabis, while other states have legalized and regulate the sale and use of medical cannabis with strict limits on the levels of THC.

Because the Company engages in cannabis-related activities in the U.S., it assumes certain risks due to the conflicting state and federal laws. Unless and until the United States Congress amends the CSA with respect to cannabis (and as to the timing or scope of any such potential amendments there can be no assurance), there is a risk that federal authorities may enforce current federal law, and the business of the Company may be deemed to be producing, cultivating, extracting or dispensing cannabis in violation of federal law in the United States.

For these reasons, the Company’s investments in the United States cannabis market may subject the Company to heightened scrutiny by regulators, stock exchanges, clearing agencies and other U.S. and Canadian authorities. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on the issuer’s ability to operate in the United States or any other jurisdiction. There are a number of risks associated with the business of the Company. See section entitled “Risk Factors” in the preliminary prospectus.

## **Additional Cautionary Language**

No securities regulatory authority has expressed an opinion about the securities offered and it is an offence to claim otherwise. The prospectus constitutes a public offering of the securities offered only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities offered have not been and will not be registered under the United States Securities Act of 1933, as amended (the “1933 Act”), or any state securities laws. Accordingly, the securities may not be offered or sold within the United States. The prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities within the United States. See “Plan of Distribution” in the preliminary prospectus. Information has been incorporated by reference in the prospectus from documents filed with securities commissions or similar authorities in Canada.

The information contained in this presentation does not purport to be all-inclusive or to contain all information that prospective investors may require. Prospective investors are encouraged to conduct their own analysis and reviews of the Company and of the information contained in this presentation. Without limitation, prospective investors should read the entire prospectus, and consider the advice of their financial, legal, accounting, tax and other advisors and such other factors they consider appropriate in investigating and analyzing the Company.

An investor should rely only on the information contained in the prospectus (which includes this presentation) and is not entitled to rely on parts of the information contained in the prospectus to the exclusion of others. The Company has not, and the agents have not, authorized anyone to provide investors with additional or different information. If anyone provides an investor with additional or different or inconsistent information, including statements in media articles about the Company, the investor should not rely on it. You should rely only on the information contained in the prospectus and are not entitled to rely on parts of the information contained in the prospectus to the exclusion of others. We have not and the agent has not authorized anyone to provide you with information that is different. If anyone provides you with different or inconsistent information, you should not rely on it. This document and the prospectus may only be used where it is legal to sell these securities

## Forward-Looking Statements

Certain information contained in this presentation constitutes “forward-looking information” within the meaning of applicable Canadian securities legislation. The use of any of the words "anticipate", "continue", "estimate", “intend”, “potential”, "expect", "may", "will", "project", “proposed”, "should", "believe" and similar expressions are intended to identify forward-looking information. These statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. In addition, this presentation may contain forward-looking information attributed to third party industry sources. The Company believes that the expectations reflected in such forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking information included in this presentation should not be unduly relied upon. Such information speaks only as of the date of this presentation or such other date indicated herein.

- In particular, this presentation contains forward-looking information pertaining to the following:
- The Company’s intention to complete a listing of its common shares on the Canadian Securities Exchange and all transactions related thereto;
- the Company’s intention to grow its business and operations;
- expectations with respect to the approval of the Company’s licenses and permits;
- the Company’s competitive position and the regulatory environment in which the Company operates;
- the Company’s operations in the United States, the characterization and consequences of those operations under federal law, and the framework for the enforcement of medical cannabis, adult-use cannabis and cannabis-related offenses in the United States;
- the Company’s intention to exploit opportunities for the branding, transportation, distribution, and fulfillment of cannabis products in the United States;
- the Company’s expected business objectives for the next twelve months;

In making the forward-looking statements included in this presentation, the Company has made various material assumptions, including but not limited to (i) obtaining necessary regulatory approvals; (ii) that regulatory requirements will be maintained; (iii) general business and economic conditions; (iv) the Company’s ability to successfully execute its plans and intentions; (v) the availability of financing on reasonable terms; (vi) the Company’s ability to attract and retain skilled staff; (vii) market competition; (viii) the products and services offered by the Company’s competitors; and (ix) that the Company’s current relationships with its suppliers, service providers and other third parties will be maintained.

The Company’s actual results could differ materially from those anticipated in such forward-looking information as a result of the risk factors set forth below and in the Company’s preliminary prospectus:

- the Company is an early stage company with little operating history, a history of losses and the Company cannot assure profitability;

- uncertainty about the Company's ability to continue as a going concern;
- the Company's actual financial position and results of operations may differ materially from the expectations of the Company's management;
- there is no assurance that the Company will turn a profit or generate immediate revenues;
- the Company may not be able to effectively manage its growth and operations, which could materially and adversely affect its business;
- the Company faces competition from other companies where it will conduct business that may have a higher capitalization, more experienced management or may be more mature as a business;
- if the Company is unable to attract and retain key personnel, it may not be able to compete effectively in the cannabis market;
- the Company's industry is experiencing rapid growth and consolidation that may cause the Company to lose key relationships and intensify competition;
- some of the Company's planned business activities, while believed to be compliant with applicable U.S. state and local law, are illegal under federal law;
- the Company may not be able to obtain all necessary California licenses and permits or complete the construction of its facilities in a timely manner, which could, among other things, delay or prevent the Company from becoming profitable;
- due to the classification of cannabis as a Schedule I controlled substance under the CSA, banks and other financial institutions which service the cannabis industry are at risk of violating certain financial laws, including anti-money laundering statutes; the Company may have difficulty accessing the services of banks and processing credit card payments in the future, which may make it difficult for the Company to operate or to transfer funds outside the United States; and
- any re-classification of cannabis or changes in U.S. controlled substance laws and regulations may affect the Company's business.

These factors are not, and should not be construed as being, exhaustive.

Information contained in forward-looking statements in this presentation is provided as of the date of this presentation, and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information or future events or results, except to the extent required by applicable securities laws. Accordingly, potential investors should not place undue reliance on forward-looking statements or the information contained in those statements."

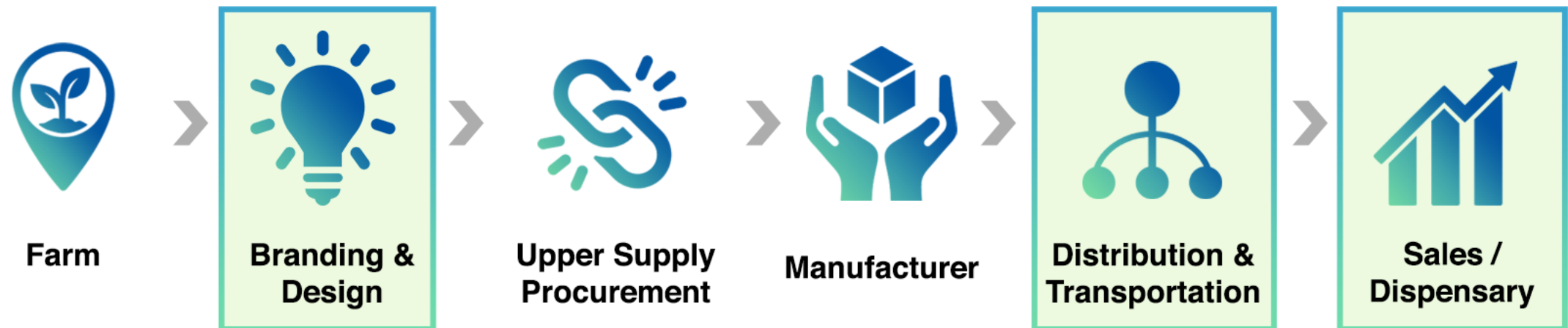
## The California Cannabis Marketplace 6 Months After Regulations Began Continues To Be Fragmented and Disjoined

**The complete eco-system in the California cannabis industry is currently in a state of disarray.** An industry that's expected to generate over \$6.5 billion in revenue by 2020 remains grossly inadequate throughout the whole eco-system; from branding & design to transportation & logistics, to sales.

Source: The Arcview Group

# TransCanna Fulfills Critical Elements Of The Supply Chains Eco-System

TransCanna specializes in assisting our clients who are farmers and manufacturers get recognized by end consumers who purchase their products. Our current services include branding and design. Distribution, transportation and sales are expected to have commenced by year end 2018.



# TransCanna Controls Critical Aspects Of The Branding and Supply Chain



1. **Branding.** We create effective brand strategies for our clients including messaging, social media, packaging and outreach programs. Our goal is to provide our clients with a competitive edge in the marketplace.



2. **Distribution & Transportation.** Moving cannabis products in the California marketplace is extremely challenging due to municipal and state laws and regulations. Our approach to T&D will provide a unified network that includes at least five strategic facilities throughout the state.



3. **Marketing & Sales.** The current model includes a dispensary “buyer” having dozens of manufacturers and producers lining up at their door selling their goods, without evidence of quality or scalability. We will remove that uncertainty by vetting our clients for both quality and scalability, thereby offering the “buyer” a catalog of tested products in one visit.



# TransCanna Offers Cutting Edge Branding & Design To Our Customers

## PHASE 1 Branding



**TransCanna** recently acquired 23 revenue generating Branding & Design contracts. This acquisition is a catalyst allowing us to offer distribution, transportation, marketing and sales to our new manufacturing clients, pending receipt of appropriate license and permits.



# TransCanna Is Creating A Leading Distribution & Transportation Enterprise

## **PHASE 2** Distribution & Transportation



**TransCanna is creating a distribution network throughout California.** Subsequently, any client in the State will be within an approximate three hour drive from one of our facilities.

TransCanna plans to ultimately lease or acquire up to 5 facilities throughout California; North San Diego, Adelanto, Culver City, Los Angeles and Sacramento.



## California Cannabis Market Is Larger Than Arizona, Colorado, Oregon, Washington and Nevada, combined

### CA MARKET BY THE NUMBERS

- **November 8th, 2016** – California votes in recreational cannabis use
- California is the most populous state in the US with **39 million residents**
- Approximately **800,000 individuals use Medicinal Cannabis**
- Approximately **5.6 million adults** have stated they've used mmj in the past 12 months
- California Sales from medical mmj in 2016 - **\$3.6 billion**
- California Sales from medical mmj in 2017 - **\$5 billion**
- Estimated California Sales from Medical and Adult Use mmj in 2018 - **\$7 billion**



Source: US Census Bureau, [forbes.com](https://www.forbes.com), MJBusinessDaily.com, The Arcview Group

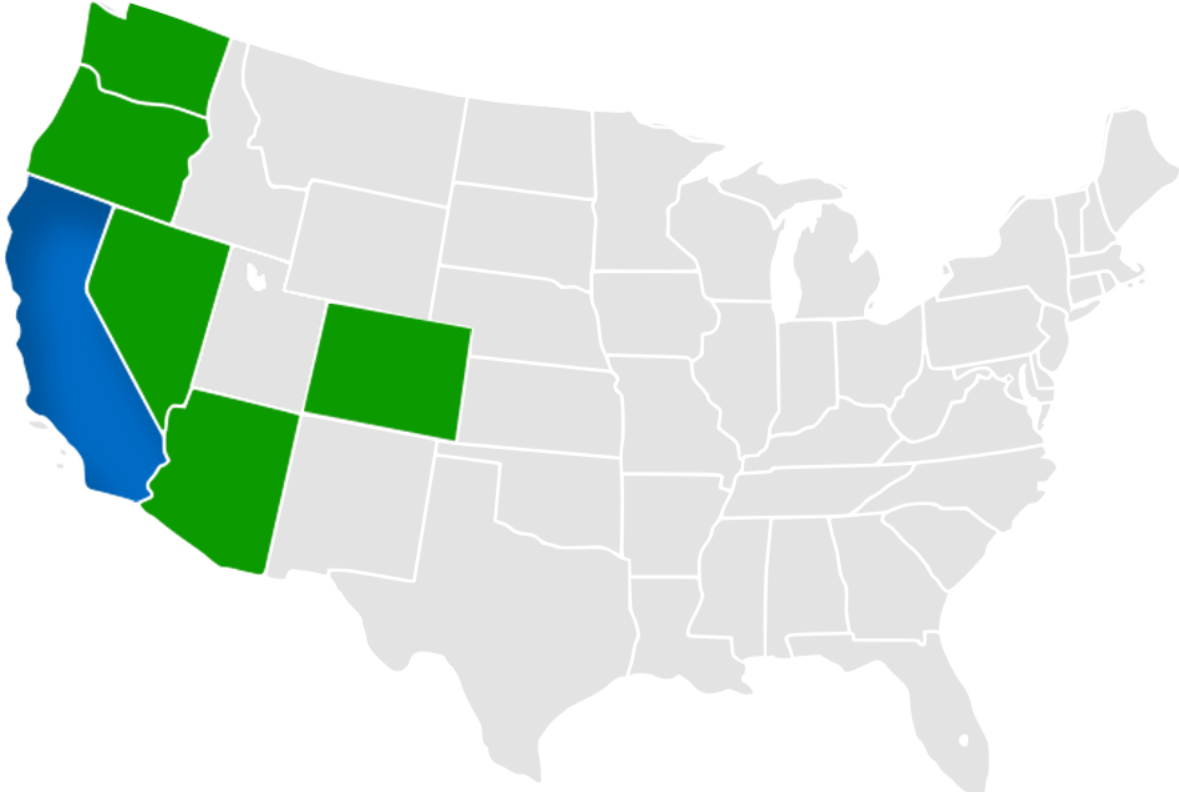
# TransCanna's Expansive Plans For Growth Throughout The US & Canada

## Future Growth Plans **2019** and Beyond

**2018** – California

**2019 & Beyond** – Canada, Washington, Oregon, Nevada, Colorado, Arizona

-  Active in creating a network specializing in branding, design, distribution, transportation, marketing and sales
-  Pending States



# TransCanna Has Made Significant Progress In The 8 Months Since Inception

## HIGHLIGHTS

- **October 2017:** TransCanna Holdings Inc. was incorporated in Vancouver under the BCBCA
- **November 2017:** Entered into Intellectual Property Rights and Royalty Agreement to have access to Track & Trace software platform, a requirement in California effective 01/01/18
- **December 2017:** Received transportation & distribution permit from City of Adelanto, CA
- **December 2017:** Executed land lease to build transportation & distribution facility in Adelanto
- **March 2018:** Created Advisory Board made up of individuals with over 80 years of combined branding, transportation and logistics, and armed security experience
- **April 2018:** Executed contract to exclusively distribute 3 brands pending receipt of CA dist & trans license
- **April 2018:** Signed 23 revenue generating exclusive branding contracts
- **July 2018:** : Anticipated IPO on the CSE

In accordance with Section 13.7(4) of National Instrument 41-101 – General Prospectus Requirements, all the information relating to the Company’s comparables and any disclosure relating to the comparables, which is contained in the presentation to be provided to potential investors, has been removed from this template version for purposes of its filing on the System for Electronic Document Analysis and Retrieval (SEDAR).

A complete version of this presentation, containing the comparables outlined in this presentation has been delivered to the securities regulatory authorities in the Province of British Columbia, Alberta and Ontario. The comparable issuers outlined in this section of the presentation are a list of listed issuers trading on the Canadian Securities Exchange outlining their area of business in the cannabis industry, their share price (as at the date of the presentation), number of issued and outstanding shares, approximate market capitalization, revenues for their respective 2017 fiscal year ends and notes relating to their business and recent material transactions. The comparables outlined were selected for inclusion in the presentation primarily on the basis of their involvement in the cannabis industry in California and/or their involvement in transportation, distribution and branding in the cannabis industry. The attributes compared primarily relate to the market capitalization of the comparable issuers as compared to the offering price of the securities offered under the prospectus. All of the information provided in the presentation relating to comparable issuers was obtained from public sources, including SEDAR, and has not be independently verified by other the Company or the Agent. potential investor should not place undue reliance on these comparables when making an investment decision and comparables should not be the sole criteria used for making investment decisions. If any comparable information included within the presentation contains a misrepresentation, investors do not have a remedy therefor under applicable securities legislation

## Transcanna Has A Simple & Clean Share Structure

- **12.02 million Shares issued**

  - 3.2 million (27%) held by insiders

  - All investor shares from previous financings are 6 month hold from IPO date

- **2.35 million Warrants**

  - 1.5 million exercisable at \$1.00

  - 750,000 exercisable predicated on reaching revenue targets

- **1.1 million Options at \$.50**

## Directors / Advisors



James Pakulis  
Director, Chairman, CEO



Greg Ball  
Director, CFO



Juan Flores, Esq  
Director



John da Costa  
Director



Nam Tran  
Senior Branding & Design Advisor



Greg Louie  
Information Technology Advisor



Tyrell Rohrer  
Senior Supply Chain Advisor



Tanya Marie Pascua  
Sales, Marketing Advisor

## Background

- Former CEO of General Cannabis, one of the first cannabis pubcos in north America
  - Bought start-up Weedmaps in 2010. Grew revenues from nil to \$16m in 24 mths, created market cap of \$450m.
  - Past 3 years President of Lifestyle Delivery Systems. Assisted in raising over \$20m, built state-of-the-art high volatility extraction laboratory, isogenic division, cultivation & nursery
- Director and CFO
  - professional accountant since 2005
  - Over 30 years accounting experience
- Twenty 25 years of legal experience
  - Strong background in municipal, government, real estate, corporate and civil law litigation
  - Private practice for over 25 years
- 30 years of experience providing management and accounting services to private and public companies
  - founder and president of Da Costa Management Corp.
- brand and business development fields for over 20 years
  - specializing in marketing, sales, distribution, production, and events
  - Past clients include Redbull, Hightimes, Raw Rolling Papers, The Big Industry Show
- 20 years in IT and business intelligence; software developer & project manager
  - Successes include designing, coding, programming cannabis warehouse management systems with over 26,000 SKU's
  - Specialist in distribution level innovation and synthesizing efficiencies among various platforms (ERP/CRM/WMS/POS/MDM)
- Ten years as liaison between cannabis manufacturers, farmers, acquiring agents
  - Formerly a cannabis farming overseeing boutique and commercial grows
  - Excels in orchestrating complicated transactions among independent farmers
  - Deep rooted understanding of the complex cannabis ecosystem
- 7 years sales and marketing experience to dispensaries
  - Specializes in educating store owners, implementing customer related marketing
  - Currently manages 32 member sales force in California, Nevada, Colorado and Arizona



# Contact Information

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For further information please contact us at:

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