

TransCanna Provides Clarifying Information in Respect of Third Party Business Valuation for Facility Acquisition

Vancouver, British Columbia--(Newsfile Corp. - March 26, 2019) - **TransCanna Holdings Inc.** (CSE:TCAN) (FSE: TH8) ("TransCanna" or "the Company") provides the following update further to its press release dated March 25, 2019. The Company retained the services of GreenGrowth CPA, an independent third-party chartered professional accounting firm (the "Firm")'s located in Los Angeles, CA specializing in legalized cannabis. Green Growth was engaged by the Company to determine the enterprise value of the proposed business to be conducted by the Company on the property, which constitutes and fully integrated cannabis operation with divisions for transportation & distribution, extraction, manufacturing and packaging, nursery and a growing. The Firm concluded with a valuation range of US\$50 million - \$75 million, as at January 31, 2019 using two different valuation methods to reach their conclusion. The operations were valued on a going concern basis.

The two different valuation methods used by the firm included the discounted cash flow method and revenue multiples.

In utilizing the discounted cash flow method, the Firm considered a number of scenarios with sensitive selective key drivers of value including market share, number of products to be launched and timing for approval of city and state licenses. Under the discounted cash flow method, a discount rate of 31.86% was applied based on the capital asset pricing mode and reviewed against published studies of required rates of return for early stage companies.

In utilizing the revenue multiples method, the Firm observed multiples of broadly similar listed businesses, and the revenue multiples implied by the Firm's valuation were in the range of 3.1X to 36.9X. The Firm reviewed listed companies operating in both the United States in Canada to support the multiples implied.

A significant component of the valuation is based on the assumption of the Company being able to reach high growth rates and capture market share in a timely manner. A failure of the Company to do so would have a material negative impact on the indicative value range. The Firm reviewed varying scenarios to capture uncertainties relating to same as well as varying scenarios of the Company successfully launching differing numbers of products as the facility to reach the ranges provided. The valuation also dependent on the Company obtaining all appropriate city and state licenses to operate the facility in a timely manner. The valuation report cautions that the Company must be reaching expected revenue targets in order to reach the valuation ranges.

The assumptions utilized in the valuation have not been tested by the Firm, and they have not audited or reviewed the complication of the cash flow forecasts based on assumptions, nor have they conducted detailed analysis of the industry. Sources of information for the business valuation include financial models provided by the Company, management presentations, other company business and financials, the Company's website, publicly available information on comparable companies published by Bloomberg, Thomson Reuters Financial Markets and available on SEDAR, other publicly available information and press releases. The business valuation also compared 26 publicly traded companies in the industry.

The valuation does not constitute an appraisal of the value of the property and equipment on the forming the facility. A separate real estate appraisal performed by Valbridge Property Advisors was reviewed by the Firm which appraised the property at US\$16.3 million including equipment.

The Firm was paid a flat fee by the Company to complete the valuation which was not dependent on any specified outcome.

A US\$250,000 non-refundable deposit to secure the property, and the Company will pay an US\$8 million down payment from the proceeds of the Company's over-subscribed brokered private placement once closed (see news releases dated February 20, 2019 and March 14, 2019). The seller of the building has agreed to a carry back note of US\$6.750 million at 7% p.a. interest only for up to thirteen months, with an initial maturity date of October 15, 2019, subject to a six-month extension. See March 20th press release for additional terms.

For further information, please visit the Company's website at www.transcanna.com.

About TransCanna Holdings Inc.

TransCanna Holdings Inc. is a Canadian based company providing branding, transportation and distribution services, through its wholly-owned California subsidiaries, to a range of industries including the cannabis marketplace.

For further information, please visit the Company's website at www.transcanna.com or email the Company at info@transcanna.com.

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The information in this news release includes certain information and statements about management's view of future events, expectations, plans and prospects that constitute forward looking statements. These statements are based upon assumptions that are subject to significant risks and uncertainties. Because of these risks and uncertainties and as a result of a variety of factors, the actual results, expectations, achievements or performance may differ materially from those anticipated and indicated by these forward looking statements. Forward-looking statements in this news release include, but are not limited to: the expected purchase of the facility, the terms of the facility acquisition, the payment of finders fees in relation thereto, the ability of the Company to secure financing and the acquisition of appropriate licenses for the facility. Any number of factors could cause actual results to differ materially from these forward-looking statements as well as future results. Although the Company believes that the expectations reflected in forward looking statements are reasonable, it can give no assurances that the expectations of any forward looking statements will prove to be correct. Except as required by law, the Company disclaims any intention and assumes no obligation to update or revise any forward looking statements to reflect actual results, whether as a result of new information, future events, changes in assumptions, changes in factors affecting such forward looking statements or otherwise.

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