

# TransCanna Announces Quarterly Results and Record Monthly Revenue

Vancouver, British Columbia--(Newsfile Corp. - May 8, 2020) - **TransCanna Holdings Inc.** (CSE: TCAN) (FSE: TH8) ("**TransCanna**" or the "**Company**") is pleased to announce the Company's financial results for the quarter ending February 29, 2020 and to additionally report record monthly revenue for the months of March and April, 2020..

**Monthly revenue results for the quarter were CAD \$972,048 with COGS of CAD\$642,280.**

Quarter two of 2020 has started strong with record revenue for March and April 2020, surpassing internal targets. The Company recorded revenue of **\$1,201,636 CAD in March** (using a \$1.40 dollar conversion), and **\$2,052,148 CAD in April**. Cost of goods in March and April, together were **\$2,939,701 CAD**. The April revenue result gives the Company its yearly run rate of **\$24,625,776 CAD** for the year through operations solely run out of the TransCanna test facility.

"We are really pleased with our financial performance overall," says Bob Blink, TransCanna CEO. "Costs strategically invested in our distribution and wholesale division somewhat impacted our margins for March and April, but we fully expect these numbers to continue improving in the short term for a few reasons, including being deemed an essential service in California by local officials."

While revenue for January and February was lower than in prior months, it is typical for Cannabis growers to experience a slight lull during such time of year due to standard growing and harvest schedules. Harvest of the Company's plants was not undertaken until March, when higher internal product standards were met. Additionally, expenditures to upgrade the Company's 10,000 square foot Jerusalem Court Facility by building extra rooms weren't actualized through increased production until March, when these rooms came back online after being shut to complete the upgrades.

Now in its second quarter of 2020, TransCanna has been focused on building out its distribution and wholesale business in order to execute on its strategic plan once its new 200,000 square foot facility in Modesto, California, begins operations. It is anticipated that this facility will materially increase TransCanna's output.

"This record financial performance is highly supportive of our concept," says Blink. "Achieving record breaking results like we've seen using our ten thousand square foot facility only points to the tremendous success we can anticipate once our larger, Daly Street Facility comes online."

Blink adds that the Company is in the last stages of awaiting final state licensing approvals for the new facility, and that expansions to its business operations will commence immediately upon approval as the Company has already planned for and executed the upscaling of that facility.

"We are well diversified and, as we await these approvals, our Lyfted Farms Jerusalem Court property continues to outperform," says Blink. "Taken in its entirety, our financial results are nothing short of impressive. The management team dealt with the significant challenges of these unprecedented times to deliver this very notable success that acts as a foundation for continued growth."

The Company is also pleased to announce that it has issued 3,600,000 units ("**Units**") at a price of \$0.50 per Unit for gross proceeds of CDN\$1,800,000 pursuant to a non-brokered private placement (the "**Private Placement**").

Each Unit consists of one common share of the Company (a "**Share**") and one common share purchase warrant (a "**Warrant**"). Each Warrant entitles the holder thereof to purchase one Share at a price of \$0.75 per Share until May 8, 2022. If the closing trading price of the Shares on the Canadian Securities Exchange (the "**CSE**"), or such other stock exchange or quotation system on which the Shares are then listed or quoted, is equal to or greater than C\$1.25 for a period of 20 consecutive trading days, the Company will have the right to accelerate the expiry of the Warrants, in which event the expiry date of the Warrants will be the date which is 30 days following the dissemination of a press release by the Company announcing the Accelerated Expiry Date.

The Private Placement was priced in the context of the market based on a price reservation made by the Company with the CSE. The Private Placement is subject to the approval of the CSE and the securities issued pursuant to the Private Placement will be subject to a four-month hold period under securities laws. The Company intends to use the net proceeds from the Private Placement for working capital purposes.

No finders' fees were paid pursuant to the Private Placement.

## About TransCanna Holdings Inc.

TransCanna Holdings Inc. is a California based, Canadian listed company building Cannabis-focused brands for the California lifestyle, through its wholly-owned California subsidiaries.

For further information, please visit the Company's website at [www.transcanna.com](http://www.transcanna.com) or email the Company at [info@transcanna.com](mailto:info@transcanna.com).

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## **Forward-Looking Statements**

*Cautionary Note Regarding Forward-Looking Statements:* This release includes certain statements and information that may constitute forward-looking information within the meaning of applicable Canadian securities laws or forward-looking statements within the meaning of the United States *Private Securities Litigation Reform Act of 1995*. Forward-looking statements relate to future events or future performance and reflect the expectations or beliefs regarding future events of management of the Company. Generally, forward-looking statements and information can be identified by the use of forward-looking terminology such as "intends" or "anticipates", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would" or "occur". This information and these statements, referred to herein as "forward-looking statements", are not historical facts, are made as of the date of this news release and include without limitation, statements regarding discussions of future plans, estimates and forecasts and statements as to management's expectations and intentions with respect to, among other things: commencement of operations of the Company's 200,000 square foot Modesto, California operations; the increase of the Company's output; the receipt of licensing approvals for the Company's facilities; and expansions to and growth of the Company's business operations.

These forward-looking statements involve numerous risks and uncertainties and actual results might differ materially from results suggested in any forward-looking statements. These assumptions, risks and uncertainties include, among other things: the receipt of necessary regulatory approval and licensing approvals; market uncertainties related to the COVID-19 pandemic; potential negative consumer, investor or public perception of a party's respective current brand or company; changes in consumer preferences and product trends; general market trends; and political, legal and regulatory uncertainty relating to cannabis products generally.

In making the forward looking statements in this news release, the Company has applied several material assumptions, including without limitation, that: the inability to commence operations of the Company's 200,000 square foot Modesto, California operations; the inability of the Company to increase its output; the inability of the Company to receive the necessary licensing approvals for its facilities; and the inability of the Company to achieve its anticipated expansion and growth of its business operations.

Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. Readers are cautioned that reliance on such information may not be appropriate for other purposes. The Company does not undertake to update any forward-looking statement, forward-looking information or financial out-look that are incorporated by reference herein, except in accordance with applicable securities laws. We seek safe harbor.

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