

## Press Release

### BevCanna Signs LOI with Californian Cannabis Beverage Brand Calexo

*Cannabis-infused beverage expert to become exclusive Canadian manufacturer of the popular U.S. sparkling cannabis beverage*

VANCOUVER, BC, March 26, 2020. Emerging leader in infused cannabis beverages, BevCanna Enterprises Inc. (CSE:BEV, O:BVNNF, FSE:7BC) (“BevCanna” or the “Company”) announced today that it has entered into a non-binding letter of intent (the “LOI”) to partner with rising California cannabis beverage brand Calexo.

Under the proposed agreement, BevCanna will become the exclusive Canadian manufacturing partner for the newly-launched Calexo line of beverages. BevCanna will leverage its extensive experience in developing and launching beverages in the Canadian market to maintain responsibility and compliance with Health Canada, as well as all national sales and distribution efforts related to the joint venture (JV). The JV will be structured as a profit share joint venture agreement, and the maintenance of exclusivity is subject to mutually agreed-upon forecast milestones being met. The agreement will be for an initial term of five years with a subsequent five-year renewal option.

In addition to the Canadian manufacturing arrangement, Calexo will also provide BevCanna with access to its current and future U.S. distribution networks for future product launches. BevCanna’s current U.S. plans include the upcoming Californian launches of their ready-to-drink and powdered beverage mix products.

“The partnership with Calexo is an exciting opportunity for BevCanna,” said John Campbell, Chief Strategic Officer at BevCanna. “Calexo combines unique branding, all-natural ingredients and flavour-forward formulations to create elegant, social beverages. These drinks represent the type of high-quality products that BevCanna is committed to bringing to the Canadian market. We look forward to a prosperous partnership that results in continued growth for both partners.”

Offered in a choice of two flavors, Citrus Rose and Cucumber Citrón, Calexo is now available via delivery throughout Los Angeles from Sweet Flower Melrose or Sweet Flower Arts District dispensaries. Product availability will soon expand statewide in California. Made with all-natural juices, botanicals, and nano-emulsified THC (10mg per 22oz. bottle), Calexo beverages are designed for sharing, and are precisely dosed for an easy-to-control, uplifting experience.

The agreement is subject to satisfactory completion of due diligence investigations by each of the partners into the other partner's business, Calexo demonstrating that its trademarks are transferable to the Canadian market, negotiation and execution of a definitive agreement, and approval by each partner's board of directors.

### **About BevCanna Enterprises Inc.**

BevCanna Enterprises Inc. (CSE:BEV, Q:BVNNF, FSE:7BC) develops and manufactures cannabinoid-infused beverages and consumer products for in-house brands and white label clients. With decades of experience creating, branding and distributing iconic brands that resonate with consumers on a global scale, the team demonstrates an expertise unmatched in the emerging cannabis beverage category. Based in British Columbia, Canada, BevCanna has a 292-acre outdoor cultivation site in the fertile Okanagan Valley and the exclusive rights to a pristine spring water aquifer, as well as a world-class 40,000-square-foot, HACCP certified manufacturing facility, with a current bottling capacity of up to 210M bottles per annum.

### **About Calexo**

Founded by artists and creatives in 2019, Calexo is a Los Angeles-based beverage brand that launched its first sparkling cannabis drinks in 2020. Made with all-natural fruit juices, botanicals, and nano-emulsified THC, Calexo beverages are precisely dosed for an easy-to-control, uplifting experience that brings a smile to your mind. Calexo beverages are meant for sharing, sipping and savoring for a rapid onset of 15-minutes and an offset of one hour. Although Calexo cannot legally use the "O" word in cannabis, the brand is committed to always using carefully-selected, premium ingredients with no artificial flavors, sweeteners or colors, ever. For a close look at Calexo, please visit [calexo.co](http://calexo.co), or high-five the brand on Instagram @calexo.co and on Medium.

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### **Disclaimer for Forward-Looking Information**

Certain information in this news release constitutes forward-looking statements under applicable securities laws. Any statements that are contained in this news release that are not

statements of historical fact are forward-looking statements. Forward looking statements are often identified by terms such as “may”, “should”, “anticipate”, “expect”, “potential”, “believe”, “intend”, “estimate” or the negative of these terms and similar expressions. Forward-looking statements in this news release include, but are not limited to: statements regarding the proposed Joint Venture; that under the proposed agreement, BevCanna will become the exclusive manufacturing partner for the Calexo line of beverages in Canada and leverage its extensive experience in developing and launching beverages in the Canadian market to maintain responsibility and compliance with Health Canada, as well as all national sales and distribution efforts related to the joint venture; that the JV will be structured as a profit share joint venture agreement, and the maintenance of exclusivity is subject to mutually agreed-upon forecast milestones being met; that the agreement will be for an initial term of five years with a subsequent five-year renewal option; that Calexo will also provide BevCanna with access to its current and future U.S. distribution networks for future product launches; that BevCanna’s current U.S. plans include the upcoming Californian launches of their ready-to-drink and powdered beverage mix products; that BevCanna looks forward to a prosperous partnership that results in continued growth for both partners; the agreement is subject to satisfactory completion of due diligence investigations by each of the partners into the other partner’s business, Calexo demonstrating that its trademarks are transferable to the Canadian market, negotiation and execution of a definitive agreement, and approval by each party’s board of directors; statements with respect to the emerging cannabis beverage category; the business plans of the Company; and statements with respect to the business plans and intentions of Calexo.

Forward-looking statements are based on certain assumptions regarding: the issuances of licences by Health Canada to the Company under the Cannabis Act; anticipated commercialization of products in 2020; completion of the conditions to the Joint Venture, climate conditions; agricultural conditions; and expectations with respect to the future growth of recreational cannabis products. While the Company consider these assumptions to be reasonable, based on information currently available, they may prove to be incorrect. Readers are cautioned not to place undue reliance on forward-looking statements. The assumptions of the Company, although considered reasonable by it at the time of preparation, may prove to be incorrect. In addition, forward-looking statements necessarily involve known and unknown risks, including, without limitation, the Company not being issued licenses by Health Canada; risks associated with general economic conditions; risks associated with climate and agriculture; changes in consumer preferences; adverse industry events; future legislative, tax and regulatory developments; inability to access sufficient capital from internal and external sources, and/or inability to access sufficient capital on favourable terms; the inability to implement business strategies; competition; currency and interest rate fluctuations and other risks. Readers are cautioned that the foregoing list is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. For more information on the risk, uncertainties and assumptions that could cause anticipated opportunities and actual results to differ materially, please refer to the public filings of the

Company which are available on SEDAR at [www.sedar.com](http://www.sedar.com). Forward-looking statements contained in this news release are expressly qualified by this cautionary statement and reflect our expectations as of the date hereof, and thus are subject to change thereafter. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law, and the Company does not assume any liability for disclosure relating to any other company mentioned herein.