



CSE: MOTA
FSE:1WZ:GR
OTC: PEMTF

MOTA VENTURES COMPLETES ACQUISITION OF PROFITABLE CBD RETAILER FIRST CLASS CBD

VANCOUVER, BC, CANADA (January 17, 2020) – **Mota Ventures Corp. (CSE: MOTA)** (the “**Company**”) announces that it has completed the acquisition (the “**Transaction**”) of the online distributor First Class CBD, pursuant to the terms of a business combination agreement (the “**Definitive Agreement**”) entered into with Unified Funding, LLC (“**Unified**”), and dated effective January 17, 2020. Unified is an arms’-length party which currently operates First Class CBD through its wholly-owned subsidiary, First Class USA, LLC (“**First Class**”).

Based in Wyoming, First Class offers a CBD hemp-oil formula intended to provide users with the therapeutic benefits that hemp may offer. The hemp oil used in the product is derived from hemp grown and cultivated in the United States. The extraction process is designed to maintain all of the beneficial qualities that hemp may offer. First Class offers a range of products, which include CBD oil drops, CBD gummies, CBD pain relief cream and CBD skin serum.

First Class runs a successful direct to consumer online retail business in the United States. With a profit margin of approximately 14.0%, Unified generated net income of approximately US\$2,700,000 from the operations of First Class in 2019. The Company cautions that figures for profit margin and income generated from the operations of First Class have not been audited and are based on calculations prepared by management of Unified. Actual results may differ from those reported in this release once these figures have been audited.

For more information on First Class, readers are encouraged to review their website, www.firstclasscbd.com.

Joel Shacker, Chief Executive Officer of the Company, commented “The acquisition of First Class is a milestone for the Company, and aligns with our goal of becoming a vertically integrated CBD brand. The revenue they generated in 2019 positions us to compete with the largest cannabis companies in the world, and the infrastructure they have in place is a key building block our organization can use to expand further in the US and Europe.”

Total consideration for the Transaction is US\$32,000,000, of which US\$1,500,000 was paid upon completion of the Transaction, US\$1,500,000 is due and owing within six months, and the balance will be satisfied through the issuance of 47,125,000 common shares of the Company at an effective price of C\$0.80 per share. Unified will also be paid a bonus of US\$5,000,000 in shares at each level, if First Class reports gross revenues of

\$42,000,000, \$52,000,000 and \$62,000,000 in 2020. Share consideration to Unified will be subject to a thirty-six month pooling agreement, as well as a clawback right which allows Mota to retrieve a portion of the consideration paid to Unified if certain revenue levels are not met in 2020, as further described below.

Transaction Details

Total consideration for the Transaction is US\$32,000,000 (the “**Purchase Price**”), of which US\$1,500,000 was paid upon completion of the Transaction, US\$1,500,000 is due and owing within six months, and the balance will be satisfied through the issuance of 47,125,000 common shares of the Company (the “**Exchangeable Shares**”) at an effective price of C\$0.80 per share. Pursuant to the terms of the Definitive Agreement, the Company acquired all of the voting share capital of First Class. Following completion of the Transaction, Unified will retain the non-voting share capital, which can be exchanged for the Exchangeable Shares at the discretion of Unified. Unified is not permitted to trigger the issuance of any Exchangeable Shares which would result in them holding more than 9.9% of the issued and outstanding common share capital of the Company.

The Exchangeable Shares are subject to the terms of a thirty-six month time-release pooling arrangement (the “**Pooling Arrangement**”) during which time they may not be transferred, assigned, pledged or otherwise traded by Unified. The Exchangeable Shares will be released from the Pooling Arrangement in tranches, of which ten percent will be immediately released, with the balance released in six equal tranches of fifteen percent. In addition to the Pooling Arrangement, in the event the Company contributes US\$2,000,000 in working capital to further develop the operations of First Class within sixty days of completion of the Transaction, the Exchangeable Shares will be subject to a claw-back arrangement in which the total number of shares will be reduced in the event revenue generated by First Class in the 2020 calendar year does not exceed US\$28,000,000.

In addition to the Purchase Price, Unified will also be entitled to a one-time bonus payment (the “**Bonus Payment**”) based on the revenue and profitability of First Class in the 2020 calendar year. The Bonus Payment will be: (i) US\$5,000,000, in the event gross revenue exceeds US\$42,000,000 with a profit margin of at least ten percent; (ii) US\$10,000,000, in the event gross revenue exceeds US\$52,000,000 with a profit margin of at least ten percent; or (iii) US\$15,000,000, in the event gross revenue exceeds US\$62,000,000. The Bonus Payment will be payable in common shares of the Company (the “**Bonus Shares**”) based on an exchange rate of US\$1.00 to C\$1.30 and the greater of: (i) C\$0.80; and (ii) the volume-weighted average closing price of the common shares of the Company on the Canadian Securities Exchange in the ten trading days prior to the last trading day of 2020. Any Bonus Shares issuable by the Company will be subject to the terms of the Pooling Arrangement, with applicable release dates calculated from the date of issuance of the Bonus Shares.

In connection with completion of the Transaction, the Company issued 5,200,000 common shares (the “**Finders Fee Shares**”) to certain arms’-length third-parties who assisted in introducing the parties to the Transaction and facilitating its completion. The Company also issued a further 520,000 common shares (the “**Administration Fee Shares**”) to a third-party for successfully administering the Transaction. The Finders Fee Shares, and the Administration Fee Shares, are subject to a four-month-and-one-day statutory hold period in accordance with applicable securities laws. In addition, the Finders Fee Shares are subject to the terms of the Pooling Arrangement.

Following completion of the Transaction, Unified will continue to assist with the management of operations of First Class, and will be entitled to the reimbursement of operational expenses along with a service charge of twenty percent. The Transaction has not resulted in a reverse takeover or fundamental change for the Company under the policies of the Canadian Securities Exchange, nor has it resulted in the creation of any new insider or control person of the Company. No changes to the board of directors, or management, of the Company resulted from completion of the Transaction.

About Mota Ventures Corp.

Mota Ventures is seeking to become a vertically integrated global CBD brand. Its plan is to cultivate and extract CBD into high-quality value-added products from its Latin American operations and distribute it both domestically and internationally. Its existing operations in Colombia consist of a 2.5-hectare site that has optimal year-round growing conditions and access to all necessary infrastructure. Mota Ventures is also seeking to acquire revenue-producing CBD brands and operations in both Europe and North America, with the goal of establishing an international distribution network for CBD products. Low cost production, coupled with international, direct to customer sales channels will provide the foundation for the success of Mota Ventures.

ON BEHALF OF THE BOARD OF DIRECTORS

MOTA VENTURES CORP.

Joel Shacker
Chief Executive Officer

For further information, readers are encouraged to contact Joel Shacker, Chief Executive Officer at +604.423.4733 or by email at IR@motaventuresco.com or www.motaventuresco.com

Neither the Canadian Securities Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this press release, which has been prepared by management.

Cautionary Note Regarding Forward-Looking Statement

All statements in this press release, other than statements of historical fact, are “forward-looking information” with respect to the Company within the meaning of applicable securities laws, including with respect to the performance of the business of First Class and the entitlement to any Bonus Payment, the international distribution of CBD products

and the creation or acquisition of CBD brands. The Company provides forward-looking statements for the purpose of conveying information about current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. By its nature, this information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. These risks and uncertainties include but are not limited to those identified and reported in the Company's public filings under the Company's SEDAR profile at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise unless required by law.

*The securities being offered have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States of America, its territories and possessions or the District of Columbia (the "**United States**") and may not be offered or sold in the United States unless exemptions from the registration requirement of the U.S. Securities Act and applicable state securities laws are available. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state of the United States in which such offer, solicitation or sale would be unlawful.*