



## MOTA VENTURES SIGNS LETTER OF INTENT FOR MERGER WITH STILLCANNNA

Vancouver, British Columbia – (February 26, 2020) – Mota Ventures Corp. (CSE:MOTA) (OTC:PEMTF) (FRANKFURT: 1WZGR) (“**Mota**”) and Stillcanna Inc. (CSE:STIL) (OTC:SCNNF) (FRANKFURT:A2PEWA) (“**Stillcanna**”) are pleased to announce that they have entered into a letter of intent (the “**Letter of Intent**”), dated effective February 25, 2020, pursuant to which Mota proposes to acquire all of the outstanding share capital of Stillcanna (the “**Proposed Transaction**”).

### Strategic Merger

Mota is a globally-focused CBD product development and marketing company with established online retail brands in both the U.S. and Europe. Through its acquisition of First Class CBD, Mota has become a significant direct-to-consumer retail brand in the United States. In 2019, First Class CBD (then, a division of Unified Funding, LLC) realized approximately C\$28.7 million in revenue with an EBITDA of approximately 12.5%.<sup>1</sup> Mota’s successful e-commerce platform currently serves over 140,000 online customers and has generated over 400,000 leads in the United States. With the roll-out of First Class CBD’s proven e-marketing strategy throughout Europe, Mota believes that a merger with a high-quality CBD producer is of paramount importance in order to capture the large margins in the CBD-product supply chain.

Stillcanna is a vertically integrated, European-based company with a focus on industrial-scale manufacturing of the highest quality CBD extracts. Using proprietary extraction techniques and purpose-built equipment, Stillcanna looks to become one of the largest producers of THC-free CBD extracts in Europe. Stillcanna’s Polish extraction facility, *NEXUS*, features industrial-scale centrifugal chromatography equipment that allows for the production of bulk THC-free CBD distillate as well as custom Cannabinoid profiles. In February 2020, Stillcanna’s Romanian extraction facility, *ORIGIN*, which operates pursuant to a joint venture between Stillcanna and Dragonfly Biosciences Ltd., received approval from the Ministry of Health and the Anti-Drug Agency to become the first government recognized extraction facility in the country. To date C\$23,000,000 has been invested by Stillcanna in the cultivation and extraction operations, with current cash on hand in Stillcanna of approximately C\$7,000,000.

Stillcanna’s CBD extracts are key to unlocking additional value in Mota’s retail offerings in Europe. Through Stillcanna, Mota hopes to guarantee the supply of high-quality CBD for its expanding product line in Europe, while the large production capacity of *NEXUS* and *ORIGIN* will allow Mota to be a key supplier of legal CBD products in Europe.

“We are very excited to pursue a transaction with Stillcanna. The merger of this large-scale, high-

---

<sup>1</sup> 2019 revenue was earned in United States dollars and based on financial data prepared by management of Unified Funding, LLC. Figures for revenue and margin of First Class CBD have not been audited. Actual results may differ from those reported in this release once these figures have been audited. The revenue reported in Canadian dollars is based on the 2019 average Bank of Canada exchange rate of 1.3269 Canadian dollars for every United States dollar.

quality CBD producer will fit brilliantly with Mota's strategic expansion plan to vertically integrate operations in Europe while increasing profit margins in product offerings. Product awareness and availability are still quite limited in Europe, which presents an opportunity for Mota to further establish its brands in a market that is expected to experience rapid growth in the near term. With the Stillcanna merger, we're putting together a team that can create, market and sell consumer CBD products to European customers," stated Ryan Hoggan, CEO of Mota.

"Combining a company that has established brands and direct-to-consumer sales channels with one that has proven CBD extraction expertise makes perfect sense to us," commented Jason Dussault, CEO of Stillcanna. "The wholesale landscape for CBD has changed dramatically in the past year, and the creation of a seed-to-consumer CBD company in the growing European market creates a direct path to profitability. This merger completes the circle for Stillcanna, evolving from a seed to CBD concentrate company to a seed to retail sales company."

### **Merger Details**

Under the terms of the Proposed Transaction, Mota would acquire all of the outstanding share capital of Stillcanna by way of a statutory plan of arrangement under the *Business Corporations Act* of British Columbia Canada. Shareholders of Stillcanna (the "**Stillcanna Shareholders**") would receive one common share of Mota for every 1.8 common shares of Stillcanna held at the time of exchange (the "**Exchange Ratio**"). Based on the current outstanding common share capital of Stillcanna, it is anticipated that Mota would issue approximately 61,597,082 Mota shares to complete the Proposed Transaction.

Upon completion of the Proposed Transaction: (i) all outstanding incentive stock options of Stillcanna will be exchanged for options to purchase Mota shares on the basis of the Exchange Ratio and will thereafter be subject to the incentive stock option plan of Mota; and (ii) all unexercised share purchase warrants of Stillcanna will be exchanged for warrants to purchase Mota shares on the basis of the Exchange Ratio and will expire in accordance with their current expiry dates.

Mota and Stillcanna are at arms-length. The Proposed Transaction does not constitute a reverse-takeover of Mota, nor is it expected to result in a change of control of Mota within the meaning of applicable securities laws and the policies of the Canadian Securities Exchange. Upon completion of the Proposed Transaction, there will be no changes to the management or the board of directors of Mota and it is expected that members of management and the board of Stillcanna will continue to assist in relation to the management of Stillcanna's business.

Completion of the Proposed Transaction remains subject to a number of conditions, including, but not limited to: (i) satisfactory completion of due diligence; (ii) negotiation of definitive, legally-binding documentation; (iii) receipt of any required regulatory approvals, including the court; (iv) the approval of the Stillcanna Shareholders; (v) receipt of a satisfactory fairness opinion in respect of the Proposed Transaction; (vi) Stillcanna having arranged to amend the terms of certain existing employment and consulting engagements; (vii) shareholders of Stillcanna holding at least 40,000,000 of the outstanding share capital of Stillcanna having agreed to the terms of a pooling arrangement restricting their ability to trade one-half of the Mota shares they receive for a period of six months following completion of the Proposed Transaction; (viii) Stillcanna having positive working capital of not less than C\$6,000,000, after taking into account all expenses associated with the Proposed Transaction; and (ix) Mota completing a private placement of units to raise gross proceeds of not less than C\$5,000,000 (the "**Mota Financing**"). The Proposed Transaction cannot be completed until these conditions are satisfied. There can be no assurance that the Proposed Transaction will be completed as proposed or at all.

The proposed Mota Financing will consist of units at a price of C\$0.45 per unit, with each unit comprised of one Mota common share and one share purchase warrant of Mota. Each such warrant will be exercisable to purchase one common share of Mota at a price of C\$0.60 for a period of two years. All securities to be issued in connection with the Mota Financing will be subject to a four-month-and-one-day statutory hold period in accordance with applicable securities laws. Mota anticipates paying finders fees to certain eligible parties who have introduced subscribers to the Mota Financing.

The board of directors of each of Mota, and Stillcanna, have unanimously approved the Letter of Intent. Further information about the Proposed Transaction will be included in subsequent press releases when available.

### **About Mota Ventures Corp.**

Mota 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 is looking to establish sales channels and a distribution network internationally through the acquisition of the Sativida and First Class CBD brands. Low cost production, coupled with international, direct to customer sales channels will provide the foundation for the success of Mota.

### **About Stillcanna Inc.**

Stillcanna is a Canadian early-stage life sciences company focused on the large-scale manufacturing of CBD in Europe using its proprietary intellectual property. Stillcanna has signed an initial extraction contract in Europe to be the exclusive extractor for Dragonfly Biosciences LLC, a United Kingdom-based supplier of CBD. Stillcanna also recently completed the acquisition of Olimax NT SP.Z.O.O., a multi-generational hemp agricultural firm that is expected to increase market share in the European CBD industry.

#### **On behalf of Mota Ventures Corp.**

Ryan Hoggan  
Chief Executive Officer

**For more information visit**  
[www.motaventuresco.com](http://www.motaventuresco.com) or contact:

Investor Relations  
[ir@motaventuresco.com](mailto:ir@motaventuresco.com)  
+1.604.423.4733

#### **On behalf of Stillcanna Inc.**

Jason Dussault  
Chief Executive Officer

**For more information visit**  
[www.stillcanna.com](http://www.stillcanna.com) or contact:

Mauricio Inzunza  
[mauricio@stillcanna.com](mailto:mauricio@stillcanna.com)  
+1.844.442.7845

*The Canadian Securities Exchange has in no way passed upon the merits of the Proposed Transaction, and has neither approved nor disapproved the contents of this news release.*

#### **Cautionary Note Regarding Forward-Looking Statements**

*All statements in this press release, other than statements of historical fact, are “forward-looking information” with respect to Mota, and Stillcanna, within the meaning of applicable securities laws, including with respect to completion of the Proposed Transaction, the planned business activities of each of Mota and Stillcanna, and the anticipated*

*benefits of the Proposed Transaction. Each of Mota, and Stillcanna, provide 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 the risk that the parties will fail to enter into a legally binding definitive agreement or the various other conditions to completion of the Proposed Transaction will not be satisfied and, as a result, the Proposed Transaction will not be completed as contemplated in the Letter of Intent or at all; the risk that the anticipated benefits of the Proposed Transaction will fail to be realized; and other risks identified and reported in the public filings of each of Mota and Stillcanna, relating to their respective businesses, located under their respective profiles on SEDAR at [www.sedar.com](http://www.sedar.com). Although Mota, and Stillcanna, have 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. Each of Mota, and Stillcanna, disclaim 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.*