

BevCanna to Launch Bloom Brand Cannabis Products in Canada

Cannabis Infused Beverage Expert Signs Definitive Agreement with Prominent US Vape Company to Manufacture and Sell the Popular Brand in Canadian Retailers

VANCOUVER, May 12, 2020 /CNW/ - Emerging leader in cannabis infused beverages, BevCanna Enterprises Inc. (CSE:BEV, Q:BVNNF, FSE:7BC) ("BevCanna" or the "Company") announced today that it has signed a Definitive Agreement (the "Agreement") with high-profile cannabis operator company, Capna Intellectual, Inc. ("Capna"), to bring its leading multi-state cannabis vape brand, [Bloom](#), to Canada. BevCanna will manufacture and sell Bloom branded products, including cannabis concentrates and extracts, in Canada. BevCanna will also acquire exclusive licensing and manufacturing rights to select product formats, technology and branding assets of Bloom. Bloom will be sold under the name "Cali-Bloom" in Canada to highlight the roots of the brand.

"We're excited to bring the Bloom products to the Canadian market," said John Campbell, Chief Strategic Officer at BevCanna. "Canadians are eager to see more vape options from trust-worthy retailers, and we're happy to be able to provide that."

"Canada has a rich history with cannabis and Canadians want vapes that match the experience of the smoking the plant. That's what our [Bloom's] goal is: deliver authentic cannabis experiences everywhere, every time," said Vitaly Mekk, Chief Executive Officer of Capna Intellectual. Bloom products are currently sold in over three hundred retailers across five states: California, Nevada, New Mexico, Oklahoma, and Washington; and are available in leading retailers such as MedMen, Planet 13, Cookies, Caliva, and Connected.

"We're also seeing great synergies between the two companies," continued Mr. Campbell. "This agreement leverages BevCanna's expertise in manufacturing infused cannabis products and Bloom's reputation for creating safe, effective, appealing vapor cartridges and disposables. We've also discussed potential future opportunities to work together in other markets and product lines."

Terms of the Definitive Agreement

The Agreement includes the following:

- BevCanna will manufacture, possess, and sell cannabis products, including cannabis concentrates and cannabis extracts, on behalf of Capna, as and when permitted by applicable Canadian regulations under a licence expected to be granted by Health Canada to the Company;
- Capna will grant an exclusive license to certain technology and branding assets to BevCanna in Canada in connection with the Company's production of cannabis products for Capna;
- In the event that Capna decides to extend their products to beverage, BevCanna shall be the exclusive beverage manufacturer for Capna in Canada and will hold rights of first refusal to be the exclusive beverage manufacturer in any other U.S state or Europe;
- An initial term of 5 years, with automatic 5-year renewal periods, subject to a right of each party to terminate the Agreement if done at least 90 days prior to the expiry of the initial term or any renewal term;
- BevCanna has agreed to pay Capna a royalty payment of 38% of all net profits derived from the products subject to the Agreement; and
- Each party has agreed to contribute to marketing and branding costs.
- The Agreement is subject to the receipt by the Company of a license to be issued by Health Canada under the *Cannabis Act* (Canada)

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 have resonated 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.

On behalf of the Board of Directors:

John Campbell, Chief Financial Officer and Chief Strategy Officer
Director, BevCanna Enterprises Inc.

About Capna Intellectual

Based in Los Angeles, Capna Intellectual specializes in developing consumer packaged goods for the cannabis market. Capna Intellectual is best known for creating the Bloom brand, which is now sold in five States: California, Nevada, Washington, New Mexico, and Oklahoma. Since 2015, Capna Intellectual's team has driven product innovation while implementing the strictest operating procedures to ensure compliance, consistency, and quality.

Disclaimer for Forward-Looking Information

This news release contains forward-looking statements under applicable securities laws, including the statements that: the Company will manufacture and sell Bloom branded products, including cannabis concentrates and extracts in Canada; that the Company will acquire exclusive licensing and manufacturing rights to select product formats, technology and branding assets of Bloom; that the Company will be able to provide Canadians with more vape options from trust-worthy a retailer; potential future opportunities for the parties to work together in other markets and product lines; and the business plans of the Company. These statements are based on certain assumptions, including the issuance of licenses by Health Canada to the Company. 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, risks associated with future legislative and regulatory developments in Canada and the United States; risks associated with agriculture and farming; the Company not being issued licenses by Health Canada; risks typically associated with investments in private companies, including liquidity risks; and other risks. 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. 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.

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CO: BevCanna Enterprises Inc.

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