

# BevCanna Announces LOI to Acquire Cold-Pressed Juice Co. Little West

*Cannabis infused beverage expert to add high-quality juices to its portfolio, and will also leverage Little West's US distribution network for BevCanna brands*

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VANCOUVER, Nov. 13, 2019 /CNW/ - Emerging leader in infused cannabis beverages, [BevCanna Enterprises Inc.](#) (CSE:BEV, Q:BVNNF, FSE:7BC) ("BevCanna" or the "Company") announced today that it has signed a non-binding Letter of Intent (the "LOI") to acquire West Coast cold-pressed juice company, Little West Holdings LLC ("LW").

California-based Little West currently offers a wide range of well-curated, delicious and locally sourced juices, including a line of hemp-derived CBD cold-pressed juices. The CBD infused juices are crafted using high-quality Nano-emulsified CBD that has 0% THC. These new blends combine locally-sourced fresh produce with naturally-derived CBD, making Little West's products one of the only all-natural CBD beverages on the market.

"Little West's line of cold-pressed juices will be a fantastic addition to our portfolio of cannabis-infused beverages," said Emma Andrews, Chief Commercialization Officer at BevCanna. "Their products are created with a focus on health and wellness, using the highest-quality, freshest ingredients, and the taste is incredible. There are a number of synergies with BevCanna's range of infused beverages, and we're excited to soon be able to offer Little West juices to our customers."

"Little West has developed a compelling range of products, including their range of CBD infused drinks, with an authentic emphasis on health and wellness all without compromising on taste", said Emma Andrews, Chief Commercialization Officer at BevCanna. "The premise and intention behind their brand aligns very well with BevCanna's vision to promote wellbeing and quality of life through everything we produce."

"BevCanna will also be able to leverage Little West's unique points of distribution amongst 'tastemaker' accounts in the food service and hospitality channels, as we look to bring additional CBD infused brands and products to market" continued Ms. Andrews. Little West's distribution includes a number of high-end hotels, retailers, restaurants and grocery chains, including Ace Hotels, Viceroy Hotels, WeWork, Apple Headquarters, La Colombe, Alfred Coffee, Bristol Farms, and Gelsons Market.

"We've been looking for a partner that can help us grow Little West, while maintaining our vision of providing the very best in all-natural, nutritious, healthy juices, said Cassandra Troy, Founder and CEO, Little West. "BevCanna fit the bill perfectly. The bottling, branding, development and natural resources that they bring to the table are unmatched, and their view of the future of infused beverages meshes seamlessly with ours."

## Letter of Intent

The non-binding LOI contemplates that BevCanna US Operating Company Ltd. ("BEV US"), a wholly owned indirect subsidiary of the Company, would acquire all of the issued and outstanding shares of LW and the business of LW (the "Acquisition") from the securityholders of LW (the "LW Shareholders") pursuant to a share purchase agreement (the "SPA") which will include the terms and

conditions set forth below, and additional warranties, representations, covenants and terms and conditions that are customary and consistent with industry standards for this type of transaction. Entry into the SPA and the closing thereof is subject to certain conditions including completion by BevCanna of a satisfactory due diligence review of LW and receipt of all necessary corporate and regulatory approvals, including those of the Canadian Securities Exchange (the "CSE").

#### Consideration for Acquisition

- In consideration for the Acquisition, the LOI contemplates that the LW Shareholders would be paid by BevCanna an aggregate of US \$1.0 million in cash and US \$3.0 million in common shares (each, a "Share") in the capital of BevCanna. The deemed issuance price of the Shares would be equal to CAD\$0.56, subject to compliance with CSE policies and applicable securities laws.
- The Company would also issue additional Shares to LW Shareholders on achievement of certain milestones by LW (the "Additional Consideration"). The terms of the Additional Consideration will be included in the SPA. The deemed issuance price of the Shares issued as Additional Consideration would be equal to the closing price of a Share on the applicable date, being the trading date prior to the date that a particular Milestone occurs, subject to compliance with CSE policies and applicable securities laws.

#### No Shop and Exclusivity

- LW and the LW Shareholders have agreed to a no shop clause and exclusivity of negotiation for 45 days from the date of the LOI.

#### Distribution of BevCanna Products

- Following the Acquisition, the Company expects to introduce its own water-based hemp-derived CBD infused product lines for sale through LW's distribution network in 2020 and onwards, with a mutually agreed-upon sales strategy to be put in place.

#### Target Closing Date

- The parties have agreed to act in an expeditious manner to close the Acquisition within 45 days from the signing of the LOI.

#### **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 130-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 72M bottles per shift/per annum.

None of the securities issued in connection with the Acquisition will be registered under the *United States Securities Act* of 1933, as amended (the "1933 Act"), and none of them may be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the 1933 Act. This press release shall not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of the securities in any state where such offer, solicitation, or sale would be unlawful.

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

This news release contains forward-looking statements under applicable securities laws, including the statements: that BevCanna will add high-quality juices to its portfolio, and will also leverage Little West's US distribution network for BevCanna brands; that Little West's line of cold-pressed juices will be a fantastic addition to BevCanna's portfolio of cannabis-infused beverages; that BevCanna will soon be able to offer Little West juices to its customers; that BevCanna will also be able to leverage Little West's unique points of distribution amongst 'tastemaker' accounts in the food service and hospitality channels, as BevCanna looks to bring additional CBD infused brands and products to market; with respect to the terms of the Acquisition, including the timing of the entry into the SPA and the closing thereof, the consideration to be paid by the Company in connection with the Acquisition; and that following the Acquisition, the Company expects to introduce its own water-based hemp-derived CBD infused product lines for sale through LW's distribution network in 2020 and onwards, with a mutually agreed-upon sales strategy to be put in place. These statements are based on certain assumptions regarding the Acquisition and the future business plans of 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; that the CSE may not approve the Acquisition as proposed or at all; that the parties may not enter into a definitive agreement in connection with the Acquisition; that the parties may not be able to satisfy the conditions to closing of the Acquisition; adverse market conditions; and other factors beyond the control of the parties. 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.

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