

#1 U.S Cannabis Beverage Company Keef Brands Takes Equity Position in BevCanna

Investment signals confidence in the Canadian cannabis-infused beverage expert's future

VANCOUVER, British Columbia--(BUSINESS WIRE)--December 29, 2020--Emerging leader in infused cannabis beverages, BevCanna Enterprises Inc. (CSE:BEV, Q:BVNNF, FSE:7BC) ("**BevCanna**" or the "**Company**") is pleased to announce that Keef Brands, the highest grossing cannabis beverage company in the U.S., has taken an equity position in BevCanna.

BevCanna's recently announced partnership with the award-winning brand is mutually advantageous for the two companies, with BevCanna acting as the exclusive licensee, manufacturing and distribution partner for Keef Brands in Canada, and leveraging the extensive Keef U.S. manufacturing and distribution network to access the U.S. cannabis market, which includes more than 1,000 dispensaries and delivery services across Colorado, California, Arizona, Nevada, Michigan, Oklahoma, and Puerto Rico. The partnership positions BevCanna for rapid growth within the U.S. market, in anticipation of positive federal regulatory reform with the U.S. federal cannabis legalization.

Keef Brands currently offers eight of the top ten-selling cannabis beverages in Colorado as well as two of the ten top-selling in California¹. Keef Brands ranks first in the U.S. both in units and dollars sold amongst all cannabis beverage companies². As more clarity develops around cannabis regulations in global jurisdictions, including the U.S., BevCanna will leverage the extensive network that propelled Keef beverages to its position as the highest grossing beverage brand in the U.S., to scale distribution of their ready-to-launch house beverage brands, such as Anarchist Mountain. BevCanna will launch the Keef brand across Canada over the next two quarters.

"We're extremely pleased with the confidence that Keef has shown in both BevCanna's future prospects and in our mutual relationship," said John Campbell, Chief Strategy Officer for BevCanna. "We see a great future for the two companies working together, with both companies benefiting from the other's market expertise and distribution networks, and we're happy that Keef sees the same potential."

The Keef Brands investment in BevCanna reflects their strong confidence in the Canadian beverage manufacturer and their continued strength of the relationship between the two companies. The deal is structured to provide 182,500 common shares of BevCanna at a deemed price of \$0.70 per share in return for BevCanna's principal amount of Keef Brands's existing convertible debenture previously issued to BevCanna on April 30, 2020, which is convertible to shares of Keef.

¹2020 Headset Insights report

²BDSA

About BevCanna Enterprises Inc.

BevCanna Enterprises Inc. (CSE:BEV, OTCQB: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 owns the exclusive rights to a pristine spring water aquifer, access to a world-class 40,000-square-foot, HACCP certified manufacturing facility, with a current bottling capacity of up to 210M bottles per annum. BevCanna also recently acquired US natural health and wellness e-commerce platform Pure Therapy. BevCanna's vision is to be a global leader in infused innovations.

On behalf of the Board of Directors:

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

Forward-Looking Information:

This news release may include forward-looking information within the meaning of Canadian securities legislation, concerning the business of the Company. Forward-looking information is based on certain key expectations and assumptions made by the management of the Company, including the statements regarding:

That the partnership with Keef positions BevCanna for rapid growth within the U.S. market, in anticipation of positive federal regulatory reform with the U.S. federal cannabis legalization; BevCanna's future prospects and in the mutual relationship; that as more clarity develops around cannabis regulations in global jurisdictions, including the U.S., BevCanna will leverage the extensive network that propelled Keef beverages to its position as the highest grossing beverage brand in the U.S., to scale distribution of their ready-to-launch house beverage brands, such as Anarchist Mountain. BevCanna will launch the Keef brand across Canada over the next two quarters; and other statements regarding the business plans of the Company.

Forward-looking statements are based on certain assumptions regarding the issuances of licenses by Health Canada to the Company under the Cannabis Act; future positive legislative, tax and regulatory developments with respect to cannabis; a continued high regulatory barrier entry for cannabis-infused beverages; successful and timely commercialization of the company's products; successful and timely negotiation of various agreements; the closing of the Company's previously announced acquisition of Naturo Group Investments Inc.; and expectations with respect to the future growth of recreational cannabis products. While the Company considers 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. 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.

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