

BevCanna Announces Strategic Purchase and Distribution Agreement with Heritage Cannabis

Companies join forces to bring leading cannabis beverages to broader range of Canadian consumers

VANCOUVER, British Columbia – May 17, 2023 - BevCanna Enterprises Inc. (CSE:BEV, Q:BVNNF, FSE:7BC) (“BevCanna” or the “Company”), an innovative diversified cannabis and consumer packaged goods company, is pleased to announce that it has entered into an agreement with Heritage Cannabis Holdings Corp. (CSE:CANN) (“Heritage”) for the sale and distribution of the Company’s cannabis-infused beverages in Canada.

Under the agreement, Heritage will purchase BevCanna cannabis beverage products, as and when purchase orders (“POs”) are received from provincial cannabis boards, distributors, and retailers in Canada. As consideration for the foregoing, BevCanna and Heritage will equally participate in the net margin. The cannabis beverages that will be sold and distributed include the market-leading Keef brand beverages, and BevCanna house brands including but not limited to Anarchist Mountain.

"We are thrilled to be partnering with Heritage and are confident that this agreement will allow us to provide our market leading cannabis beverages to a broader range of consumers across Canada," said John Campbell, Chief Financial Officer & Chief Strategy Officer at BevCanna.

Ontario and British Columbia

In the provinces of Ontario and British Columbia, upon receipt of a PO from the Ontario Cannabis Store (“OCS”) or the British Columbia Liquor Distribution Branch (“BCLDB”) issued to Embark Health Inc. (“Embark”), Heritage shall purchase the finished BevCanna Products listed in the PO for an amount equal to the cost to produce the PO dollar amount from Embark (the “Purchase Price”). BevCanna will utilize its sales license granted to its wholly owned subsidiary, Embark, to sell the BevCanna Products in the Provinces of Ontario and British Columbia. From the proceeds of the Purchase orders, BevCanna will pay Heritage its participation of the Net Margin, and the amount equal to the original Purchase Price.

All Other Provinces and Territories

For all other provinces and territories, upon receipt of any provincial or territorial board in Canada other than the OCS or the BCLDB (collectively, the “Other Canadian Boards”), Heritage shall purchase the finished BevCanna Products listed in the PO for an amount equal to the cost to produce the PO dollar amount (the “Purchase Price”) from Embark. Heritage will utilize the sales license of either of its wholly owned subsidiaries, Heritage Cannabis East Corporation or Heritage Cannabis West Corporation (collectively, the “Heritage Sales Licence”) to sell the BevCanna Products. From the proceeds of the Purchase orders, Heritage will pay its participation of the net margin to Embark and additionally, Heritage shall retain an amount equal to the repayment of the Purchase Price.

About BevCanna Enterprises Inc.

BevCanna Enterprises Inc. (CSE:BEV, Q:BVNNF, FSE:7BC) is a diversified health & wellness beverage and natural products company. BevCanna develops and manufactures a range of alkaline, plant-based, and cannabinoid beverages and supplements for both in-house brands and white-label clients.

Based in British Columbia, Canada, BevCanna owns a pristine alkaline spring water aquifer and a high capacity 40,000–square–foot, Health Canada and HACCP certified flexible manufacturing facility in Osoyoos, British Columbia. The Company’s extensive distribution network includes more than 3,000 points of traditional and regulated retail distribution, and online through its market-leading TRACE brand, its Pure Therapy natural health and wellness e-commerce platform, its fully licensed Canadian cannabis

manufacturing and distribution network, and a partnership with #1 U.S. cannabis beverage company Keef Brands.

On behalf of the Board of Directors:

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

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Disclaimer for Forward-Looking Information

This news release contains forward-looking statements. All statements, other than statements of historical fact that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future are forward-looking statements. The forward-looking statements reflect management's current expectations based on information currently available and are subject to a number of risks and uncertainties that may cause outcomes to differ materially from those discussed in the forward-looking statements. Forward-looking statements made in this news release include, but are not limited, to: The Company's expectation the agreement will allow BevCanna to provide its market-leading cannabis beverages to a broader range of consumers across Canada; that BevCanna will utilize its sales license granted to its wholly owned subsidiary, Embark, to sell the BevCanna Products in the Provinces of Ontario and British Columbia; that Heritage will utilize the sales license of either of its wholly owned subsidiaries, Heritage Cannabis East Corporation or Heritage Cannabis West Corporation (collectively, the "Heritage Sales Licence") to sell the BevCanna Products; and other business plans of the Company.

Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and, accordingly, undue reliance should not be put on such statements due to their inherent uncertainty. Factors that could cause actual results or events to differ materially from current expectations include, among other things: general market conditions; changes to consumer trends and preferences in the markets in which the Company operates; inability to enter into commercial agreements as anticipated or at all; and other factors beyond the control of the Company. BevCanna expressly 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 applicable law, and the Company does not assume any liability for disclosure relating to any other company mentioned herein.