



International Cannabrand
ADVANCING WELLNESS AROUND THE GLOBE

INTERNATIONAL CANNABRANDS CEO PUBLISHES OPEN LETTER TO SHAREHOLDERS AND MARKET PIVOT

Denver, Colorado, September 26, 2019 – **International Cannabrand Inc.** (CSE:JUJU) (the “**Company**”) is pleased to publish CEO Steve Gormley’s open letter to Shareholders.

Dear Shareholders,

It’s been seven weeks since my last letter to Shareholders. When I wrote in August I acknowledged how difficult the market has been in 2019, particularly in the cannabis sector. I have watched other companies in the cannabis sector suffer the same downturn International Cannabrand is enduring. I am writing to put the Company’s Q2 results in context and to share the new direction the Company is taking to address the industry downturn.

The market is demanding a course correction. Cannabis companies are struggling to secure financing for the business plans and investors’ decks that were taken to market in the first two quarters of 2019. In light of this, the market is demanding a sea change in cannabis in advance of a rebound. International Cannabrand is answering that call.

On Wednesday, September 18, after thoughtful review, the board of directors for International Cannabrand voted to cease any further funding for the development of the Julian Marley Juju Royal brand. Management and the Board have come to the conclusion that the current cost for the use of Julian Marley’s image and name, coupled with the royalty arrangement, makes it too difficult for the brand to reach profitability. Management instead intends to take the infrastructure, and key members of the management team, developed under the Juju Royal brand, and leverage that infrastructure and the Executive Management team against the launch of its new in-house developed CBD brands, which International Cannabrand has been developing since mid-summer 2019. The Company will also look to cut costs by closing down its Denver office. This cost cutting measure, as well as the elimination of redundancies and operational overhead, will make the Company leaner and more efficient. As CEO I am eliminating the last vestiges of staff and overhead that existed before I came on board.

The CBD business is undeniably hot. Hemp derived CBD can currently be sold in all 50 states in the US and can be sold and marketed online. Launching our CBD product lines is much less capital intensive than launching THC lines. The Company will not abandon its commitment to THC; THC is the core of La Vida Verde’s business and management believes THC will make a comeback in 2020. The Company intends however, to make CBD a priority over the coming quarters.

According to the Green Market Report (Sept 2019; which references a BDS Analytics report): (see <https://www.greenmarketreport.com/new-bds-analytics-report-forecasts-cbd-sales-to-reach-20-billion-by-2024/>)

- Last year, CBD sales hit \$1.9 billion. BDS predicts that these sales will grow 49% annually. The report went on to say, “Further, sales of hemp-derived CBD (as opposed to CBD from marijuana) in U.S. general retail stores are expected to makeup \$12.6 billion of the \$20 billion in CBD sales forecast for 2024.”
 - This is a big point – shows that estimated 60% of hemp derived CBD will move through traditional retail vs. dispensaries.

Similarly in a recent Forbes article (May 2019) (see <https://www.forbes.com/sites/irisdorbian/2019/05/20/cbd-market-could-reach-20-billion-by-2024-says-new-study/#9b6d5e549d05>)

- CBD consumers are an average age of 40, have higher education, and are more likely than non-consumers to be employed full time.
- “Most products being sold in the general market today are in untracked channels of distribution.

According to the Motley Fool (June 2019) (see <https://www.fool.com/investing/2019/07/14/us-cbd-sales-to-grow-an-average-of-107-annually-th.aspx>)

- In 2014 legal global sales were approximately \$3.4 billion. By 2018 that number was up to \$11 billion
- Year-over-year CBD product sales growth in the United States of 706% in 2019 to around \$5 billion – not a typo – and sales of **\$23.7 billion by 2023**. Comparatively, about \$620 million worth of CBD products were sold last year in the United States (based on 706% growth to \$5 billion). Growing CBD revenue from about \$620 million in 2018 to \$23.7 billion by 2023 works out to (drum roll) a compound annual growth rate (CAGR) of a whopping 107%!

BDS Analytics Consumer Insights research revealed: “That consumers primarily use CBD as a ‘natural’ remedy for pain, stress, anxiety, and depression. Further, CBD consumers are divided 45% female, 55% male with an average age of 43, 40% are higher-educated and 50% are employed full-time.”

The particular category that is projected to outshine all other segments... it’s CBD. CBD sales in legal dispensaries rose from 3% in 2017 to 10% in 2018. BDS believes that as more mainstream consumers try CBD from hemp, they may be more disposed to going to a legal dispensary to try the marijuana-derived CBD.

Finally, Management believes, given the disappointing Q1 and Q2 results for La Vida Verde, that the Company must restructure the La Vida Verde acquisition and re-price the transaction so that the cost to International Cannabrands is more in line with the financial performance of La Vida Verde to date. Management is currently engaged in active discussions with the founders of La Vida Verde to address the lack of performance at La Vida Verde as it relates to the restructuring of the acquisition. It is Managements position that International Cannabrands is justified in re-pricing the La Vida Verde family of brands.

Over the next few weeks we will be announcing our CBD initiatives. I want to thank our loyal shareholders and thank you in advance for your support as we pivot to the launch of new CBD brands.

International Cannabrands Contact:

Steve Gormley Chief Executive Officer 1045 Lincoln Street, #106 Denver, Colorado 80203 Ph: (323) 828-4321 or steve.gormley@intlcanabrands.com Media Inquiries: media@jujuroyal.net

NEITHER THE CANADIAN SECURITIES EXCHANGE NOR ITS REGULATION SERVICES PROVIDER HAS REVIEWED OR ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.

Disclaimer concerning Forward-looking Statements

Certain statements included herein constitute "forward-looking statements" relating to the timing and execution of the Company's revised strategy, within the meaning of applicable securities laws. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management at this time, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Investors are cautioned not to put undue reliance on forward-looking statements. Additional risks and uncertainties regarding the Company are described in its publicly-available disclosure documents filed by the Company on SEDAR (www.sedar.com). The forward-looking statements contained in this news release represent the Company's expectations as of the date of this news release, or as of the date they are otherwise stated to be made, and subsequent events may cause these expectations to change. Except as required by law, the Company does not intend, and undertakes no obligation, to update any forward-looking statements to reflect, in particular, new information or future events.