

Icanic Brands Company, Inc.

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Icanic Brands Announces Non-Binding LOI to Acquire DNA Organics, Inc. (Lifted Organics) and THC Engineering Share Issuance

VANCOUVER, BRITISH COLUMBIA – May 13th, 2022– Icanic Brands Company, Inc. (CSE: ICAN, OTCQB: ICNAF) (“**Icanic Brands**” or the “**Company**”), a multi-state brand operator of premium cannabis brands in California, is pleased to announce that it has signed a non-binding Letter of Interest (“**LOI**”) to acquire DNA Organics, Inc. (“**Lifted**”), a premium California cultivator and manufacturer (the “**Proposed Acquisition**”).

About Lifted

Lifted is a vertically integrated California cannabis company specializing in cultivation and solventless manufacturing using sustainable, organic practices with a focus on achieving economies of scale through adoption and adaptation of existing commercial agriculture and manufacturing solutions. Lifted was founded in 2012 after the passage of California Proposition 215 and has over 10 years of successful cannabis cultivation and manufacturing operations making Lifted uniquely positioned to capitalize on California’s legalization of recreational cannabis. Founded in the mountains of Santa Cruz, Lifted is currently headquartered in Watsonville, unincorporated Santa Cruz County, a primary hub of agriculture in California and the United States providing world class access to scaled commercial cultivation & processing resources. Lifted currently has 20.25 acres of licensed outdoor canopy. Lifted is a market leader in fresh frozen flower production as well as live solventless extracts. Lifted currently has 100% of its cultivation under contract with three of the largest companies in California including Buddies, Jetty and LEEF brands. Lifted has been a trusted supply chain partner for LEEF in the past and has proven to be one of the best cultivation groups in the state, cultivating high yielding, pesticide free cannabis year after year.

Key Highlights

- Currently producing 240k lbs fresh frozen per year
- Under contract with Buddies, Jetty Extracts, and LEEF
- Specialty in fresh frozen material
- Experienced management team
- Proprietary list of high yielding genetics
- Accretive transaction

Acquisition Strategy

- Utilize Lifted Organics’ raw inputs to power Icanic’s existing extraction lines
- Integrate raw inputs from Lifted Organics into Icanic’s higher margin branded portfolio
- Strengthen business-to-business relationships through the ability to offer Icanic’s partners additional supply chain
- Consolidate operating expenses onto Icanic’s existing team to improve efficiencies
- All stock transaction

“We are very excited to welcome the Lifted Organics team to our family. With the addition of the 20 acres to our supply chain, it will allow Icanic to expedite our dedication to providing industry best gross margins on our internal brand portfolio while being able to offer a more robust solution to our brand manufacturing partners who are some of the largest companies in the state,” said Brandon Kou, CEO of Icanic Brands. “This accretive acquisition should significantly reduce COGS with the addition of an industry leader within the cultivation supply chain and provide a platform to continue to grow our robust and dynamic genetics portfolio. Lifted Organics is the latest example of how we are able to grow through our merger & acquisition process and provide significant value to our shareholders.”

“We are excited at the prospect of joining the Icanic team. Over the past 18 months we’ve seen them hard at work, aligning the right industry segments in efforts to streamline high quality production that will positively impact consumer experience across the board. With our combined efforts we think it will be difficult to find a competitor that can match our quality of product and process efficiencies to suit the best brands out there,” said Dave Doriot, CEO of Lifted Organics.

Terms of the LOI

Under the terms of the LOI, the purchase price (the “**Purchase Price**”) will be comprised of (i) the Closing Purchase Price (as defined below), and (ii) the Earn-Out Payments (as defined below).

The initial payment forming part of the Purchase Price (the “**Closing Purchase Price**”) will be 1.0x multiple of revenue for the period beginning September 30th, 2022 till September 30th, 2023, less the estimated revenue value of the current inventory on hand calculated at the time of close and less any estimated revenue value of produced between the time of close until September 30th, 2022. The Closing Purchase Price will be satisfied in full through the issuance of common shares of the Company (the “**Icanic Shares**”).

The earn-out payment forming part of the Purchase Price (the “**Earn-Out Payments**”) will be paid as follows:

- (a) performance milestone of 10% of the difference in the Closing Purchase Price and a 1.0x multiple of the subsequent 12 months of revenue following the closing date of the Proposed Acquisition; and
- (b) milestone based consideration derived from achieving revenue targets.

Each of the foregoing Earn-Out Payments will be satisfied in full through the issuance of Icanic Shares.

In the event the Purchase Price does not exceed \$5,000,000 USD, Ionic agrees to pay the difference such that the total consideration shall equal to \$5,00,000 USD. Such payment will be satisfied in full through the issuance of Icanic Shares.

THC Engineering Share Issuance

The Company further announces that it will issue an aggregate of 3,764,858 common shares pursuant to the terms of its previously announced acquisition of THC Engineering, LLC. On May 7, 2021, the Company announced that it had completed the acquisition (the “Acquisition”) of THC Engineering, LLC (“THC Engineering”) and THC Engineering Holdings, LLC (“THC Holdings”, and collectively with THC Engineering, “THC”) and pursuant to the terms of a share exchange agreement dated April 7, 2021 (the “Share Exchange Agreement”) among the Company, THC and the unitholders of THC (the “THC Unitholders”).

Pursuant to the terms of the Share Exchange Agreement, the Company will issue 1,755,078 common shares (the “Consideration Shares”) which equates to 50% of the shares paid for consideration; and 2,009,780 common shares (the “Milestone Shares”) for the portion currently owed for meeting one of the milestones as defined in the Share Exchange Agreement. The Consideration Shares and Milestone Shares have been issued at a deemed price of CAD\$0.239 per share and are subject to a four-month hold period and resale conditions as required by applicable securities laws and the policies of the Canadian Securities Exchange. The price per share was determined by calculating the volume-weighted average trading price of the Company’s common shares for the ten (10) days ending on the day prior to the achievement of the certain milestones pursuant to the Share Exchange Agreement.

Please see the Company’s news releases dated May 7, 2021; April 15, 2021; and December 9, 2021, for more information.

About Icanic Brands Company Inc.

Icanic Brands Company Inc. is a cannabis branded products manufacturer based in California, the largest cannabis markets in the world. The company’s mission is to build a great cannabis company with great people and great results.

For more information, please visit the company’s website at: www.icaninc.com.

About Leef

Leef Holdings, Inc. (“Leef”), a wholly owned subsidiary of Icanic Brands Company Inc. (CSE: ICAN, OTCQB: ICNAF) is one of the largest cannabis extraction companies in the state of California and is a leading provider of bulk concentrates to many of the largest brands in the state. It is led by an expert group of legacy operators with decades of experience in organic soil-based farming and sophisticated extraction practices. LEEF’s manufacturing capabilities include a 12,000 square foot extraction and manufacturing facility with significant throughput and concentrate extraction capability.

For more information about Leef, visit their website at www.leefca.com

About Ganja Gold

Ganja Gold, a wholly owned subsidiary of Icanic Brands Company Inc. (CSE: ICAN, OTCQB: ICNAF), is the premier brand of infused pre-rolls in the state. Ganja Gold focuses on using only the best available flower and concentrates with state of the art proprietary technology to create connoisseur level pre-rolls unseen in the marketplace. With our flagship Tarantula™, Ganja Gold continues to set the bar in quality and experience.

For more information about Ganja Gold, visit their website at www.ganjagold.com

About de Krown Enterprises LLC

de Krown Enterprises LLC (“**de Krown**”), a wholly owned subsidiary of Icanic Brands Company Inc. (CSE: ICAN, OTCQB: ICNAF), is a California-based manufacturing partner and brand owner. de Krown has the expertise to provide all types of cannabis services including pre-roll manufacturing, cartridge filling, product packaging, extraction, terpene extraction and topicals/edibles.

For more information about de Krown, visit their website at www.dekrown.com

ICANIC BRANDS COMPANY INC.

Per: “Brandon Kou”
Co-Chief Executive Officer

For further information about Icanic Brands, please contact the Company at:

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The CSE does not accept responsibility for the adequacy or accuracy of this release.

This news release contains “forward-looking information” and “forward-looking statements” within the meaning of applicable Canadian and United States securities laws (collectively, “forward-looking information”). Forward-looking information are often, but not always, identified by the use of words such as “seek”, “anticipate”, “believe”, “plan”, “estimate”, “expect”, “likely” and “intend” and statements that an event or result “may”, “will”, “should”, “could” or “might” occur or be achieved and other similar expressions. Forward-looking information in this news release includes, without limitation, statements relating to the completion of the Proposed Acquisition, the entering into of a definitive agreement based on the LOI, the growth of the California consumer segment of the California cannabis market, the total annual revenue of Lifted, the anticipated consolidated financial results associated with the completion of the Proposed Acquisition, the receipt of all requisite approvals to complete the Proposed Acquisition, the Company’s goals following closing of the Proposed Acquisition and the Company’s business and strategic plans. Forward-looking information is based on assumptions that may prove to be incorrect, including but not limited to the ability of the Company to execute its business plan, the continued growth of the medical and/or recreational cannabis markets in the countries in which the Company operates or intends to operate and Lifted maintaining its existing cannabis licenses. The

Company considers these assumptions to be reasonable in the circumstances. However, forward-looking information is subject to business and economic risks and uncertainties and other factors that could cause actual results of operations to differ materially from those expressed or implied in the forward-looking information. Such risks include, without limitation: the failure to negotiate and execute a definitive agreement with Lifted satisfactory to the respective parties, the failure to obtain all necessary approvals related to the LOI, the ability of the Company to complete the Proposed Acquisition in a timely manner or at all; the receipt of requisite approvals to complete the Proposed Acquisition; the ability of the Company to integrate the Lifted business into its existing operations and to realize the expected benefits and synergies of the acquisition; unexpected disruptions to the operations and businesses of the Company and/or Lifted as a result of the COVID-19 global pandemic or other disease outbreaks including a resurgence in the cases of COVID-19; engaging in activities considered illegal under United States federal law; the ability of the Company to comply with applicable government regulations in a highly regulated industry; unexpected changes in governmental policies and regulations affecting the production, distribution, manufacture or use of cannabis in the United States, or any other foreign jurisdictions in which the Company intends to operate; unexpected changes in governmental policies and regulations affecting the production, distribution, manufacture or use of adult-use recreational cannabis in the United States or Canada; any change in accounting practices or treatment affecting the consolidation of financial results; any unexpected failure of Lifted to renew its licenses and permits; any unexpected failure of Lifted to maintain any of its commercial facilities; the Company's reliance on management; inconsistent public opinion and perception regarding the use of cannabis; perceived effects of medical cannabis products; adverse market conditions; the inherent uncertainty of production and cost estimates and the potential for unexpected costs and expenses; costs of inputs; crop failures; litigation; currency fluctuations; competition; availability of capital and financing on acceptable terms; industry consolidation; loss of key management and/or employees; and other risks detailed herein and from time to time in the filings made by the Company with securities regulators. For more information on the Company and the risks and challenges of their businesses, investors should review their annual filings that are available at www.sedar.com.