

Ikänik Farms Announces Late Filing of 2021 Annual Financial Statements

TORONTO, May 2, 2022 /CNW/ - Ikänik Farms, Inc. (CSE: IKNK.U) (FSE: DFMA) (the "Company" or "Ikänik Farms") announces that it will not be in a position to file its audited consolidated annual financial statements, the accompanying management's discussion and analysis and related CEO and CFO certifications for the year ended December 31, 2021 (the "Annual Financial Filings") by the May 2, 2022 filing deadline (the "Deadline") due to a combination of internal and external delays associated with the preparation and audit process as a result of a number of factors, including the recent downsizing of the Company in California where it maintains its corporate accounting, the departure of the Company's Controller, the onboarding and integration of the Company's new Controller into its corporate systems, the [capacity and limited availability of the Company's auditor and unanticipated complexities with the completion of the Annual Financial Filings.

The Company has been informed by the Ontario Securities Commission (the "OSC") that it is not eligible for a management cease trade order under National Policy 12-302 – *Cease Trade Orders for Continuous Disclosure Defaults* and, accordingly, the OSC will be issuing a failure-to-file cease trade order under National Policy 11-207 – *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions* affecting all the Company's securities following the Deadline.

The Company's management and team members are moving expeditiously to complete the Annual Financial Filings which it anticipates will be filed prior to June 24, 2022. The Company is engaging a third-party service and advisory company to assist with the field work and audit evidence for its operations in Colombia and changes to the Company's corporate accounting processes, consolidation of systems and location.

"The timing of this cease trade order does not take away from the Company's momentum and recent results to transition operations away from its assets in California to the production and sale of certified pharmaceutical grade THC dry cannabis flower and derivatives from its indoor cultivation facility "Pideka" in Bogotá, Colombia, where Pideka has market leadership" said Mr. Sanz de Madrid, CEO.

Highlights of the Company's recent developments include the:

- I. appointment of a new CEO;
- II. changes to the board of directors of the Company made to strengthen the board;
- III. downsizing of operations in California, thereby reducing costs;
- IV. continued review for further downsizing opportunities to satisfy loan obligations and reduce debt;
- V. completion of a \$3 million tranche of a \$6 million investment initiative and
- VI. receipt, through its wholly owned subsidiary Pideka, of European Good Manufacturing Practices (EU GMP) Certification.

The Company will make further announcements with respect to the status of the Audited Financial Statements and changes to its accounting practices.

About Ikänik Farms

Ikänik Farms is multi-national operator with a medical grade indoor cultivation facility and laboratory (Pideka) in Colombia which holds GMP-PHARMA and (GACP) Good Agricultural and Collection Practice certifications, and a retail operation in California.

Forward Looking Statements

This news release includes "forward-looking information" and "forward-looking statements" within the meaning of Canadian securities laws and United States securities laws (together, "forward-looking information"). All information, other than statements of historical facts, included in this news release that address activities, events or developments that the Company expects or anticipates will or may occur in the future is forward-looking information. When used in this news release, words such as "will", "could", "plan", "estimate", "expect", "intend", "may", "potential", "believe", "should", and similar expressions, are forward-looking information, including, but not limited to: statements with respect to the Audited Financial Statements, including the anticipated delay in filing the Audited Financial Statements and timing to complete the Company's audit and the anticipated closing of the proposed private placement financing.

Although the Company has attempted to identify important factors that could cause actual results, performance or achievements to differ materially from those contained in the forward-looking information, there can be other factors that cause results, performance or achievements not to be as anticipated, estimated or intended, including, but not limited to: changes in laws, a change in management and the inability to obtain additional financing.

There can be no assurance that such information will prove to be accurate or that management's expectations or estimates of future developments, circumstances or results will materialize. As a result of these risks and uncertainties, the results or events predicted in the forward-looking information may differ materially from actual results or events.

Accordingly, readers should not place undue reliance on forward-looking information. The forward-looking information in this news release is made as of the date of this release. The Company disclaims any intention or obligation to update or revise such information, except as required by applicable law, and the Company does not assume any liability for disclosure relating to any other company mentioned herein.

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For further information: Investor Contact: Ikanik Farms Inc., Bill Keating, t. 905-330-5002, e. ir@ikanikfarms.com

CO: Ikanik Farms Inc.

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