

## Ionic Brands Completes Acquisition of Zoots - Premium Cannabis-Infused Edibles and Infused Products

- **IONIC BRANDS COMPLETES ZOOTS ACQUISITION, PREMIUM CANNABIS - INFUSED EDIBLES**
- **INFUSED PRODUCTS AND EDIBLES ARE ONE OF THE FASTEST GROWING CATEGORY IN THE CANNABIS INDUSTRY**
- **IONIC BRANDS WILL EXTEND ZOOTS EDIBLES BEYOND WASHINGTON AND COLORADO TO OREGON, CALIFORNIA AND SOON TO BE IN NEVADA**

TACOMA, Wash., July 24, 2019 -- IONIC BRANDS CORP. (CSE: IONC) (OTC: IONKF) (FRA: 1B3) ("**IONIC BRANDS**" or the "**Company**") is pleased to announce that it has completed the acquisition of Natural Extractions, Inc. d/b/a Zoots Premium Cannabis Infused Edibles ("Zoots"), based in Washington, USA, as previously announced on April 23, 2019.

Total consideration for the purchase of Zoots is approximately US\$11 million, comprised of US\$855,000 cash and issuance of 9,635,150 common shares ("Consideration Shares") of the Company at a deemed value of C\$1.30 per share to the vendors of Zoots ("Vendors"), and the assumption of US\$606,420 in outstanding debt. The Vendors have also agreed to a lock-up agreement whereby up to 70% of the Consideration Shares would be locked up and released over nine months. The issuance of shares is subject to approval by the Board and CSE.

In addition, the Company will issue up to 4.8 million common share purchase warrants to the shareholders of Zoots, with an exercise price of C\$1.33 per share, exercisable over three years.

The acquisition adds Zoots' edibles and infused products to the Company's portfolio of consumer-focused cannabis concentrates. Zoots products expands the Company's current product line and is expected to increase the Company's market share in the cannabis retail and wholesale industry. Zoots is a state-of-the-art, Washington State-based, cannabinoid edibles company, a first major player in the cannabis-infused edibles market. Zoots' product line includes drops, gummies, energy shots and hard candies manufactured to offer consistent and reliable dosing. Zoots is forecasting total revenues in 2019 to be approximately US\$3.0 million with US\$360,000 EBITDA cash flow. Zoots has consumer proven formulas which will be preserved by IONIC BRANDS.

Zoots Premium Cannabis Infused Edibles are available at licensed marijuana retailers in Illinois, Washington, Colorado and Massachusetts. Founded by brothers Dan, Michael and Patrick Devlin, Zoots products feature cannabis oil derived from the Zoot's proprietary Cypress Extraction™ system and blended with other premium ingredients to deliver a safe, reliable and pleasant experience. Zoots emphasizes on product safety, quality and consistency, and offers products in serving sizes as low as 5 mg THC enabling the consumer to easily manage dosage and control over serving size and effect. As part of the integration of Zoots into the Company's operations, "Both Ionic and Zoots are trusted, family-run businesses and cannabis industry front-runners," said Zoots' Co-Founder, Patrick Devlin. "Zoots and Ionic target consumers looking for an easy and intuitive way to consume cannabis. Edibles are quickly gaining in popularity worldwide and we provide highly desired cannabis consumption options."

In February 2019 Zion Market Research published "Cannabis Edibles Market by Type (Solid Edibles, Topical Edibles, Inhalation, and Liquid Edibles), by Preparation (Cannabidiol and Tetrahydrocannabinol), and by Application (Cancer, Epilepsy, Arthritis, Multiple Sclerosis, Alzheimer's, and Others): Global Industry Perspective, Comprehensive Analysis, and Forecast, 2018–2025." According to the report, the global **cannabis edibles market** was valued at approximately USD 2,376 million in 2018 and is expected to generate around USD 11,564 million by 2025, at a CAGR of around 25.4% between 2019 and 2025. The legalization of cannabis in Canada is attracting an extensive range of market players. Therefore, increased social recognition related to cannabis across various regions is likely to offer significant opportunities in the cannabis edible products market in the future.

IONIC BRANDS Chairman and CEO John Gorst commented, that "Ionic Brands has been working closely with the Zoots leadership team to integrate companies and transition the Zoots line of handcrafted and trusted edible products. Our top-rated Ionic vaporizer pen targets consumers interested in luxury cannabis products that can be discreetly consumed which make Zoots edibles a natural fit for our brand strategy. The Zoots acquisition expands our market segments to the popular edibles space and expands our distribution network throughout the United States. We are also very pleased to have Mr. Dan Devlin continues as the Company's Chief Operating Officer."

### **About IONIC BRANDS CORP.**

The Company is focused on building a multi-state consumer-focused cannabis concentrate brand portfolio focusing on the premium and luxury segments. The cornerstone Brand of the portfolio, IONIC, is the #1 vaporizer brand in Washington State and has aggressively expanded throughout the West Coast of the United States. The brand is currently operating in Washington, Nevada, Oregon and California. IONIC BRANDS' strategy is to be the leader of the highest-value segments of the cannabis market and expand nationally.

### **ON BEHALF OF THE BOARD OF DIRECTORS**

"John Gorst"

John Gorst  
CEO and Director

For further information, please contact John Gorst, Chairman & CEO  
E: [info@ionicbrands.com](mailto:info@ionicbrands.com) | W: [www.ionicbrands.com](http://www.ionicbrands.com) | P: 253-248-7927.

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

*All statements, other than statements of historical fact, included herein are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. The risks are without limitations the price for cannabis and related products will remain consistent and the consumer demand remains strong; availability of financing to the Company to develop the retail locations; retention of key employees and management; changes in State and/or municipal regulations of retail operations and changes in government regulations generally. Important factors that could cause actual results to differ materially from the Company's expectations are disclosed in the Company's documents filed from time to time with the Canadian Securities Exchange, the British Columbia Securities Commission, the Ontario Securities Commission and the Alberta Securities Commission.*