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CSE: IONC | FRA: IB3 | OTC: IONKD

*For Immediate Release*

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## **IONIC BRANDS ANNOUNCES CLOSING OF \$14.7 MILLION OVERSUBSCRIBED NON-BROKERED PRIVATE PLACEMENT UNITS OFFERING AND DEBENTURE CONVERSION AGREEMENT**

TACOMA, WASHINGTON, USA, MARCH 2, 2021, IONIC BRANDS CORP. (CSE: IONC) (OTC: IONKD) (FRA: IB3) (“**IONIC BRANDS**” or the “**Company**”), a regional manufacturer of innovative cannabis consumables and concentrate extract products, is pleased to announce the closing of its non-brokered private placement (the “**Financing**”) previously announced on February 4, 2021, by issuing 77,695,502 units (each, a “**Unit**”) at a price of CAD \$0.19 per Unit for total gross proceeds of approximately CAD \$14,762,145. Each Unit consists of one common share of the Company (each, a “**Share**”) and one transferable common share purchase warrant (each whole warrant, a “**Warrant**”). Each Warrant entitles the holder to purchase one additional Share at a price of CAD \$0.30 per Share for five years from the date of issuance.

The Company paid finders’ fees of approximately CAD \$1,094,912 and issued 7,285,014 finder’s warrants (“**Finder’s Warrants**”). Each Finder’s Warrant entitles the holder to purchase one Share of the Company at a price of \$0.19 per Share for a period of two years from the date of issuance. All securities issued in the Financing are subject to a four-month hold period expiring July 3, 2021.

Ionic Brands intends to use the net proceeds from the Financing for the following purposes:

- purchasing raw materials to substantially increase inventory to support stronger sales in both the Oregon and Washington markets;
- launching our Zoots CBD consumable products into general retail and associated ecommerce platform to sell Zoots CBD products direct to consumer;
- acquiring Oregon licenses and a manufacturing facility;
- acquiring automated infrastructure equipment that will increase manufacturing scale and throughput;
- funding the Lobe Sciences acquisition of assets; and
- for general working capital for corporate purposes.

The Company also announces, further to its news release dated January 28, 2021, it has entered into a debenture conversion and voting support agreement with certain holders (the “**Supporting Debenture holders**”) of the secured convertible debentures of the Company due May 16, 2022 (the “**Debentures**”),

representing 80.2% of the principal amount of Debentures outstanding. The Supporting Debenture holders have agreed to support the conversion of 91.5% of the outstanding principal amount of Debentures, including accrued and unpaid interest, into Series D Voting Preferred Shares (the "Proposed Conversion"). The Proposed Conversion is subject to the Company obtaining the required approvals under the amended and restated indenture between the Company and Odyssey Trust Company dated December 20, 2019, as supplemented.

The Company also announces it has extinguished debt totaling \$229,598 owed by the Company to arm's length third party. In exchange, the Company issued of 765,325 common shares of the Company at a deemed price of \$0.30 per share.

John Gorst, Ionic Brands' CEO and Chairman commented, "We are very pleased with the continued and long-term support of our debt holders in supporting the proposed conversion of 91.5% of their secured debt into preferred shares thereby substantially improving the balance sheet. Additionally, the working capital that we have raised will now accelerate the speed of our execution plans to reach EBITDA positive once again in Q2-2021 and cash flow positive in Q3-2021 and to further set the stage for the successful relaunch of Ionic Brands 2.0. Management has worked tirelessly to restructure the Company and preparing it for future success, creating long-term value for the Company's shareholders."

None of the securities acquired in connection with the Financing will be registered under the United States Securities Act of 1933, as amended, and no such securities may be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This news release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

# IONIC BRANDS

## **About Ionic Brands Corp.**

The Company is dedicated to building a regionally based multi-state consumer-focused cannabis concentrate brand portfolio with strong roots in the premium and luxury segments of vape, concentrates and consumables. The cornerstone Brand of the portfolio, IONIC, is a top concentrates brand in Washington State along with its economy brand Dabulous and has aggressively expanded throughout the Pacific Northwest of the United States. The brand is currently operating in Washington and Oregon. IONIC BRANDS' strategy is to be the leader of the highest-value segments of the cannabis market.

On behalf of IONIC BRANDS CORP.

John Gorst

Chairman & Chief Executive Officer

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To stay better informed with the current events of the company you can join our investor community at <https://www.ionicbrands.com/investor-community>

***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.*