

For Immediate Release

IONIC BRANDS CORP. PROVIDES MONTHLY UPDATE ON FINANCIAL PERFORMANCE BY REVENUE AND UNITS SOLD IN THE PACIFIC NORTHWEST MARKETS FOR THE MONTH OF JULY 2021

August 5th, 2021

TACOMA, WA / ACCESSWIRE / August 5th, 2021 / IONIC BRANDS CORP. (CSE:IONC)(OTC PINK:IONKF)(FRA:IB3) ("IONIC BRANDS" or the "Company"), a regional multistate operator in the Pacific Northwest markets of premium and luxury vape, concentrate and consumable products, is pleased to provide our shareholders our monthly report on our brand performance by category for the Pacific Northwest markets.

Revenue Category	Jul-21		Jun-21		May-21		% Change July to June		% Change July to May	
	Units	\$	Units	\$	Units	\$	Units	\$	Units	\$
Flower	387,036	1,457,779	337,544	1,435,563	372,076	1,382,431	15%	2%	4%	5%
Concentrate	122,182	754,358	114,910	658,799	89,481	535,188	6%	15%	37%	41%
Wholesale	780,910	492,093	1,499,819	617,653	1,840,382	698,022	-48%	-20%	-58%	-30%
	1,290,128	2,704,230	1,952,273	2,712,015	2,301,939	2,615,641	-34%	0%	-15%	4%

During the month of July 2021, the Company saw an increase in flower and concentrate revenue of 2% and 15% respectively, when compared to June 2021 and increases of 5% and 41% when compared to May 2021. Although the Company experienced a decrease in demand for our business-to-business wholesale revenue in July, attributed to a current over supply of biomass in the Washington market, the average price per unit increased from \$0.38 per gram in May and \$0.41 per gram in June to \$0.63 per gram in July which corresponds to 53% and 66% increases when compared to June and May respectively. The Company anticipates a flat-to-net positive increase in the business-to-business wholesale segment for the remainder of 2021 Q3 compared to Q2.

John Gorst, Chairman & CEO of Ionic Brands Corp., stated, "In the month of July, Ionic Brands became a stronger, more fiscally focused company and is now well on a path to profitability. We continue to focus our attention on financial performance metrics, stabilizing operating costs, and increasing gross margin performance. Furthermore, Ionic Brands has completed 90% of its planned investments in infrastructure to enhance its manufacturing output. While additional investments are slated to be made later this year, our absolute focus now becomes achieving profitability and positive cash flows for Ionic Brands."

Gorst further states, “Our overall top-line revenue for flower and concentrate categories continues to modestly grow. The current over-supply of biomass has led to a temporary reduction in input costs. Although we have seen our competitors drop pricing to retail stores to increase market share, we believe the correct strategy would be to maintain pricing to the retail stores, creating price stability to the end consumer, while capturing more significant gross margin revenue. We note that this pricing strategy may be challenging to execute and maintain over the coming quarters. However, gross margin revenue remains at the heart of achieving our goal of profitability in Q3 – 2021. Due to the newly acquired brand assets of Cowlitz Country Cannabis (CCC) completed on March 5th of 2021, the CCC brands have now cemented our foothold into the flower segment of cannabis.”

The Company is very excited to continue the process of fully executing on our path to profitability that we started over a year ago. We look forward to generating greater sales volume from our brand portfolio in both the Washington and Oregon markets and developing strategic partnerships across the country to build greater brand equity and recognizability in the US market.

About Ionic Brands Corp.

The Company is dedicated to building a regionally based multi-state consumer packaged goods company with a highly respected cannabis concentrate brand portfolio with strong roots in the premium and luxury segments of vape, concentrates, flower, 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.

For a review of the Company's April 2021 pro-forma results, see the Company's press release dated May 25, 2021 available on the Company's website or at www.SEDAR.com.

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>

Forward-Looking Statements

This news release contains statements that constitute "forward-looking statements." Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements, or developments in the industry to differ materially from the anticipated results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects," "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. Forward-looking statements in this

news release include, but are not limited to, statements regarding the Company's strategic partnership and expansion in the east coast of the United States.

Explanatory Note Regarding the Company's Operations

References in this news release to the Company and its operations and assets are inclusive of the operations and assets of certain licensed cannabis operators that operate under the Ionic Brands brand pursuant to contractual arrangements with the Company. For additional information, please refer to the Company's disclosure documents available on the Company's profile at www.sedar.com.

Non-IFRS Financial Measures

The Company has provided certain non-IFRS financial measures including "Gross Margin" and Adjusted EBITDA. These non-IFRS financial measures do not have a standardized definition under IFRS, nor are they calculated or presented in accordance with IFRS and may not be comparable to similar measures presented by other companies. The Company defines "Gross Margin" as Gross divided by Revenue. The Company calculates Adjusted EBITDA as net income as reported adjusted to exclude the impact of the following items: fair value adjustment of sale of inventory, provision for income taxes, foreign exchange (gain)loss, change in fair value of investments, interest expense, share based compensation, depreciation and amortization, costs associated with public listing, impairment loss, loss on financial instruments and gain on sale of fixed assets.

The Company has provided these non-IFRS financial measures as supplemental information and in addition to the financial measures that are calculated and presented in accordance with IFRS. The Company believes that these supplemental non-IFRS financial measures provide a valuable additional measure to use when analyzing the operating performance of the business. As other companies may calculate these non-IFRS measures differently than the Company, these metrics may not be comparable to similarly titled measures reported by other companies. These supplemental non-IFRS financial measures should not be considered superior to, as a substitute for or as an alternative to, and should only be considered in conjunction with, the IFRS financial measures presented herein.

Caution Regarding Cannabis Operations in the United States

Investors should note that there are significant legal restrictions and regulations that govern the cannabis industry in the United States. While legal in certain states, cannabis remains a Schedule I drug under the U.S. Controlled Substances Act, making it illegal under federal law in the United States to, among other things, cultivate, distribute or possess cannabis. Financial transactions involving proceeds generated by, or intended to promote, cannabis-related business activities in the United States may form the basis for prosecution under applicable U.S. federal money laundering legislation. Investors should carefully read the risk factors and disclosures contained in the Company's Management Discussion and Analysis ("MD&A") for the year ended December 31, 2020 and other disclosure documents available on the Company's profile at www.sedar.com.

Caution Regarding Cannabis Operations in Washington State

Holders of marijuana licenses in Washington are subject to significant regulation. Such regulation creates a number of risks unique to such holders, especially when compared to the holders of marijuana licenses in other U.S. states. In addition, the Washington State Liquor and Cannabis Board ("LCB") has historically taken an aggressive approach to enforcing the applicable regulations. Washington law specifically prohibits out-of-state ownership or control of marijuana licenses and requires that any person or entity who provides financing to the holder of a marijuana license be subject to rigorous scrutiny. These laws significantly limit how out-of-state companies and non-licensed companies may transact with marijuana licensees. What may appear to be a minor violation may result in irreparable harm as the LCB has cancelled marijuana licenses as a punishment for a first offense of a regulatory violation related to ownership and control. While consulting agreements, service arrangements, and intellectual property agreements are generally permissible and appear to be acceptable to the LCB, a licensee who enters into such transactions with an out-of-state or non-licensed company runs the risk of the licensee's business being suddenly terminated if the LCB perceives any concern about ownership and control of the licensee. Investors in the Company must be aware that the Company faces the risk of total business loss if a Washington licensee the

Company relies upon has its license cancelled. There is significant risk and uncertainty regarding an investment in the Company.

Cautionary Note Regarding Forward-Looking Information and Statements

This press release contains certain "forward-looking information" within the meaning of applicable Canadian securities legislation and may also contain statements that may constitute "forward-looking statements" within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Such forward-looking information and forward-looking statements are not representative of historical facts or information or current condition, but instead represent only Ionic Brands 's beliefs regarding future events, plans or objectives, many of which, by their nature, are inherently uncertain and outside of Ionic Brands 's control. Generally, such forward-looking information or forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or may contain statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "will continue", "will occur" or "will be achieved". The forward-looking information and forward-looking statements contained herein may include, but are not limited to, statements about the anticipated expansion of the Company's operations and growing capacity in Washington, projected financial results for the second quarter of 2021, potential acquisitions and the Company's prospects and the cannabis market generally in the states of Washington.

By identifying such information and statements in this manner, Ionic Brands is alerting the reader that such information and statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results to be materially different from those expressed or implied by such information and statements. In addition, in connection with the forward-looking information and forward-looking statements contained in this press release, Ionic Brands has made certain assumptions. Although Ionic Brands believes that the assumptions and factors used in preparing, and the expectations contained in the forward-looking information and statements are reasonable, undue reliance should not be placed on such information and statements, and no assurance or guarantee can be given that such forward-looking information and statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information and statements. Among others, the key factors that could cause actual results to differ materially from those projected in the forward-looking information and statements are the following: unexpected costs or delays in the completion of the Company's proposed dispensaries and other operations; negative results experienced by the Company as a result of general economic conditions or the ongoing COVID-19 pandemic; delays in the ability of the Company to obtain certain regulatory approvals; unforeseen delays or costs in the completion of the Company's construction projects; adverse changes to demand for cannabis products; ongoing projects by competitors that may impact the relative size of the Company's operations; adverse changes in applicable laws; adverse changes in the application or enforcement of current laws, including those related to taxation; increasing costs of compliance with extensive government regulation; changes in general economic, business and political conditions, including changes in the financial markets; and the other risks disclosed in the Company's MD&A for the year ended December 31, 2020 and other disclosure documents available on the Company's profile at www.sedar.com .

The forward-looking information and forward-looking statements contained in this press release are made as of the date of this press release, and Ionic Brands does not undertake to update any forward-looking information and/or forward-looking statements that are contained or referenced herein, except in accordance with applicable securities laws.

Financial Outlook

This news release contains a financial outlook within the meaning of applicable Canadian securities laws. The financial outlook has been prepared by management of the Company to provide an outlook for the second quarter of 2021 and may not be appropriate for any other purpose. The financial outlook has been prepared based on a number of assumptions including the assumptions discussed in this press release and assumptions with respect to market conditions, pricing, and demand. The actual results of the Company's operations for any period will likely

vary from the amounts set forth in these projections and such variations may be material. The Company and its management believe that the financial outlook has been prepared on a reasonable basis. However, because this information is highly subjective and subject to numerous risks, including the risks discussed under the heading "Cautionary Note Regarding Forward-Looking Information and Statements", it should not be relied on as necessarily indicative of future results.

Third Party Information

This press release includes market and industry data that has been obtained from third party sources, including industry publications. The Company believes that the industry data is accurate and that its estimates and assumptions are reasonable, but there is no assurance as to the accuracy or completeness of this data. Third party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance as to the accuracy or completeness of included information. Although the data is believed to be reliable, the Company has not independently verified any of the data from third party sources referred to in this press release or ascertained the underlying economic assumptions relied upon by such sources. SOURCE: IONIC Brands Corp.