

For Immediate Release

IONIC BRANDS ANNOUNCES \$7.2M REVENUES FOR THE THIRD QUARTER 2021, WITH 11% UNIT SALES INCREASING QUARTER-OVER-QUARTER

Release Highlights:

(Expressed in US dollars, unless otherwise stated)

- Q3-2021 sales revenues of \$7.2M, up 146% from the prior-year period.
- The Company improved its gross margin revenue to 16.8% in Q3-2021 compared to 16.2% in Q2-2021, despite substantial pricing pressure from an oversupply of biomass material in the market.
- Increased Unit Sales by 11% in Q3-2021 over Q2-2021.
- Realized adjusted EBITDA of (\$209K) in Q3-2021 compared to (\$964K) in Q2-2021 and (\$5.4 million) in Q1-2021, representing a significant improvement of approximately \$755K compared to Q2 and nearly \$5.2 million compared to Q1.

TACOMA, WA / ACCESSWIRE / NOVEMBER 29th, 2021 / IONIC BRANDS CORP. (CSE:IONC) (OTC:QB:IONKF) (FRA:IB3A) ("IONIC BRANDS" or the "Company") is a regional manufacturer of innovative cannabis consumables and concentrate extract products, is pleased to report financial results for the three and nine month periods ended September 30, 2021.

For further information on the financial results of the Company, please review the Company's Unaudited condensed consolidated interim financial statements (unaudited) and the accompanying MD&A available under the Company's profile on www.SEDAR.com.

John Gorst, CEO of Ionic Brands, comments on Third Quarter 2021 Results:

“While Management is generally pleased with our Q3-2021 results we remain vigilant and upbeat about the growth of the company. In quarter three, Ionic Brands experienced pricing headwinds in our B2B wholesale and wholesale-to-retail segments of our business, due to a statewide oversupply of biomass in the Washington market. We expect these statewide pricing pressures to gradually ease over the next several months as excess biomass supplies are worked off statewide but will have an interim impact on both revenues and gross margins. However, we believe that Ionic Brands should still achieve positive gross margin improvement in Q4-2021 over Q3-2021.

During the third quarter of 2021, we also experienced supply chain disruptions related to specialty child-proof packaging, which impacted our ability to meet demand for certain products. The Company continues to grapple with labor and supply chain shortages or delays, which we believe will substantially improve after the holiday season. Management believes with our operating experience for the last 10 years both in the medical and recreational cannabis markets, we are making the necessary operating adjustments to guide

the Company through these challenges. Our primary growth focus remains on the expansion of our distribution footprint.

We believe there remains a transformative long-term growth opportunity for Ionic Brands. The Northwest Markets of Washington and Oregon remains a substantial opportunity for organic growth as we expect competition thin out through natural attrition and market consolidation. Ionic Brands remains active in 340 out of approximately 1,130 stores in the Northwest Markets, representing a unique opportunity for organic sales growth. The Company's portfolio of brands continues to generate healthy top line revenues – consistently landing us in the top five sellers in the state of Washington.”

Northwest Market Conditions:

1. Overall monthly retail sales were down -15% from April 2021 to September 30, 2021, due to the post pandemic consumer returning to a more normal lifestyle pattern.
2. The average item price in the Northwest market fell -5% from \$15.30 per unit in April 2021 to \$14.36 per unit in September 2021.
3. Vape device sales in April 2021 were \$22,635,112 falling to \$20,465,621 in September down -10%.
4. Concentrate sales in April were \$16,422,005 falling to \$11,132,774 in September down -32%.
5. Pre-roll sales were \$59,878,563 falling to \$52,050,904 in September down -13%; and
6. Ionic Brands overall brand ranking in the Northwest Markets remains steady at 153 out of approximately 1,865 brands currently being sold in market.

Ionic Brands Corp. Key Performance Indicators: 11% Increase in Unit Sales Q3-2021 over Q2-2021.

1. Wholesale to retail sales were \$1.9M with 330,936 units being sold in Q3-2021 vs. 111,433 being sold in Q2-2021 equating to a 197% increase in units sold.
2. B2B wholesale sales were \$1.1M with 2,261,955 units sold in Q3-2021 vs. \$2.22M being sold in Q2-2021 for a slight increase of 2%.
3. Wholesale to retail flower sales came in at \$3.9M with 1,039,666 units sold in Q3-2021 vs. \$3.93M in flower sales with 1,096,655 units sold in Q2-2021 representing a -5% decline.
4. Oregon wholesale to retail units sold 32,226 in Q3-2021 vs. 23,398 units sold in Q2-2021 equating to a 38% increase in units sold.
5. The Company has successfully launched our Direct-to-Consumer CBD site selling our first of five products called Zoots NRG+CBD product. The next product to launch will be our Zoot Drops+CBD sometime in Q1-2022.
6. From January to September 2021, the Company has sold a total of 5,101,455 units, exceeding Fiscal 2020 units sold by 3,680,388 units or 359%. Management will continue to focus on acquiring more retail space in our stores served.

Furthermore, the Company continues to invest in its delivery systems and electronic platforms to increase efficiency in deliveries per store every month, resulting in fully stocked shelves impacting top line sales performance and enhanced gross margin revenue. Management remains optimistic with our progress, as we have clearly laid a path to further enhance our financial performance by continuing to reduce operating expenses and remain hyper-focused on increasing gross margin revenues, improving our cash flows, and reaching profitability." Our recent investments in infrastructure, inventory, and manufacturing equipment, continue to improve operating leverage throughout the organization. Overall, we continue to execute on our growth strategy in 2021.

Financial Highlights:

- Adjusted EBITDA was (\$209.1K) in Q3-2021 compared to (\$964.4K) in Q2-2021 and (\$5.4 million) in Q1-2021, representing a significant improvement of approximately \$755K compared to Q2 and nearly \$5.2M compared to Q1. The reduction of the Adjusted EBITDA loss is primarily attributable to an increase in overall gross margin revenue. The Company remains committed to prudently managing its operating expense on its mission to improve efficiency throughout the organization.

Selected 2021 Q3 Financial Information

(Unaudited - Expressed in US dollars, unless otherwise stated)¹:

	Q3 2021 ² \$	Q3 2020 \$	Change \$
Revenue	7,217,416	2,921,650	4,295,766
Cost of Sales	(5,920,863)	(2,136,225)	(3,784,638)
Gross Profit	1,215,503	785,425	430,078
Blended Gross Margin	16.8%	26.9%	
Adjusted EBITDA ³	(209,055)	237,481	(446,536)
Cash balance	585,790	53,697	532,093

Operational Highlights:

The Company slightly improved its Gross margin revenue to 16.8% in the third quarter of 2021 compared to 16.2% in the second quarter of 2021, even with substantial downward pricing pressure from an oversupply of biomass material in the market. The Company expects gross margin revenue will continue to increase in Q4-2021 and beyond due to a mix of higher-margin product (Concentrates) sales from retail. Further, the Company expects quarter-on-quarter margin improvement to continue in Q4-2021 and into 2022, as biomass yields increase from the Company's exclusive licensed partner-operated assets. The Company will continue its efforts to consolidate the purchasing power between CCC and THC Farms, our exclusive manufacturing partners in Washington, and achieve lower raw material input costs for their combined operations.

The Company has begun the planning process of further consolidating its Washington facilities as leases on certain facilities expire in mid 2022. This will create additional operating leverage while contributing to both gross margins and bottom-line financial results.

The Company has successfully launched our Direct-to-Consumer CBD site selling our first of five products Zoots NRG+CBD product. The following product to launch will be our Zoot Drops+CBD sometime in Q1 2022.

The Company has successfully launched the phase one rollout of our brands in the Massachusetts market, starting with Ionic pre-rolls and infused pre-rolls. We expect our Zoots edibles line to be introduced in the state in Q1-2022. We look forward to our continued partnership with both the Pass and M2 Partners in expanding our portfolio of products on the East Coast.

IONIC BRANDS

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 sold 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

For more information visit www.ionicbrands.com or contact:
investor.relations@ionicbrands.com
+1.253.248.7927

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

Foot notes:

- 1. These preliminary and unaudited financial results are subject to customary financial statement procedures by the Company. Actual results could be affected by subsequent events or determinations. While the Company believes there is a reasonable basis for these preliminary financial results, the results involve known and unknown risks and uncertainties that may cause actual results to differ materially. These preliminary fiscal results represent forward-looking*

- information. See "Cautionary Note Regarding Forward-Looking Information and Statements" and "Financial Outlook".
2. Q3 2021 includes the results Cowlitz County Cannabis effective March 8, 2021, the date of acquisition.
 3. See "Non-IFRS Financial Measures" below for more information regarding Ionic Brands 's use of Non-IFRS financial measures and other reconciliations.

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 Profit 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.