

**Form 51-102F3**  
**Material Change Report**

**Item 1 Name and Address of Company**

Icanic Brands Company Inc. (“Icanic Brands” or the “Company”)  
810 – 789 West Pender Street  
Vancouver, BC V6C 1H2

**Item 2 Date of Material Change**

August 31, 2021

**Item 3 News Release**

The news release was disseminated on August 31, 2021 through the facilities of Globenewswire. Copies were also forwarded to the applicable Securities Commissions via SEDAR.

**Item 4 Summary of Material Change**

The Company has signed a binding letter of intent (the “LOI”) to acquire LEEF Holdings, Inc. (“LEEF”), a California based cannabis company.

**Item 5.1 Full Description of Material Change**

On August 31, 2021, the Company announce that it has signed a binding LOI to acquire LEEF, a California based cannabis company.

The highlights are as follows:

- Icanic Brands will acquire 100% of LEEF in an all-stock transaction
- Closing Purchase Price implies an approximate 2.0x LEEF estimated 2022 revenue multiple and 6.5x LEEF estimated 2022 EBITDA multiple.
- LEEF manufacturing capabilities include a 12,000 sq. ft. state-of-the-art extraction and manufacturing facility with up to 45 tons of biomass throughput per month and up to 3,000 liters of distillate extraction capability per month.
- LEEF’s Willits, California headquarters include Type 6, Type 7, Type 11 Distribution and Dispensary licenses.
- LEEF’s pending 196-acre cultivation license would make it the largest farm in California and sits on over 1,900 acres of prime California real estate.

LEEF is the premier extraction company in California and is led by an expert group of legacy operators. The team has decades of experience in organic cannabis farming and sophisticated extraction practices.

LEEF Corporate Highlights include:

- Core manufacturing competencies include ethanol extraction line (type 6), hydrocarbon extraction line (type 7), solventless extraction line and edibles production line.
- Supply distillate to 6 of the top 10 brands in California.
- Supply concentrates to 5 of the top 10 brands in California.
- 2020A Revenue of USD \$33.9m, expenses of USD \$32.0m, and EBITDA of USD \$2.0m.

- 2021E Revenue of USD \$42.7m, expenses of USD \$34.8m and EBITDA of USD \$7.9m.
- 2022E Revenue of USD \$60.0m, expenses of USD \$41.5m and EBITDA of USD \$18.5m.
- Cannabis campus centrally located in Northern California including a state-of-the-art manufacturing facility with 4 existing licenses sitting on 14 acres with room to expand on an additional 9 acres.
- Pending 196-acre cultivation which would make it the largest cannabis farm in California, sitting on over 1,900 acres of prime coastal real estate which would produce approximately 225,000 pounds in 2022 and growing to approximately 390,000 pounds in 2024 resulting in substantial cost reductions through 2024. Estimated land value with licenses prior to buildout can range from USD \$100k to USD \$200k per acre of licensed cultivation.
- Pending Central California processing facility on a 5-acre Cannabis zoned property and 3 additional cannabis licenses including processing, distribution, and delivery.
- 49% equity holding in Aya Biosciences which focuses on the intersection of psychedelic research and which recently completed their Series A funding of USD \$5m at a USD \$20m post money valuation.

**Item 5.2 Disclosure for Restructuring Transactions**

Not applicable.

**Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

Not applicable.

**Item 7 Omitted Information**

Not applicable.

**Item 8 Executive Officer**

Brandon Kou, Director & CEO  
Business Telephone: 604-687-2038

**Item 9 Date of Report**

August 31, 2021