

Icanic Brands Company, Inc.
Suite 810, 789 West Pender Street
Vancouver, British Columbia, Canada V6C 1H2

Icanic Brands Announces Definitive Agreement to Acquire 100% of LEEF Holdings, California's Premier Extraction Company

VANCOUVER, BRITISH COLUMBIA – January 25th, 2022– Icanic Brands Company, Inc. (CSE: ICAN, OTCQB: ICNAF) (“**Icanic Brands**” or the “**Company**”), a multi-state brand operator of premium Cannabis brands in California and Nevada, is pleased to announce that the Company has entered into a definitive agreement (the “**Agreement**”) with LEEF Holdings, Inc. (“**LEEF**”), a California based extractions company (the “**Acquisition**”).

LEEF is one of the largest cannabis extraction companies in the state of California and is a leading provider of bulk concentrates to many of the largest brands in the state. It is led by an expert group of legacy operators with decades of experience in organic soil-based farming and sophisticated extraction practices. LEEF’s 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. Headquartered in Willits, California, LEEF’s core manufacturing competencies include ethanol extraction (Type 6 manufacturing license), hydrocarbon extraction (Type 7 manufacturing license), and solventless extraction. LEEF also has an edibles production line and is in the process of building out a 45,000 sq.ft mid-stream processing facility which will allow it to dry its own product and provide additional services including processing, distribution and delivery to its customers. LEEF also recently received a 186.7 acre cultivation land use permit, which will make it the owner of one of the largest cannabis cultivation sites in California. The site sits on over 1,900 acres of prime California real estate.

Since inception, LEEF has experienced significant year over year growth with strong and consistent gross margins and positive cash flow. From 2019 to the end of 2021, LEEF experienced revenue growth exceeding 100%. With the build out of the cultivation site, LEEF will be able to provide consistency, quality and quantity to its customers and its’ margins are expected to increase substantially as it gains vertical efficiencies with its in-house supply chain.

In addition to its extraction and distribution capabilities, LEEF owns and operates the LEEF Organics, Heady, and Paleo Paw brands and currently operates and has an option to purchase the highly sought after Real Deal Resin brand. These brands will add to Icanic’s current brand portfolio which currently includes its award winning GanjaGold and Taylor’s brands. It is expected that LEEF’s expertise in manufacturing and supply chain management will allow for significant operating synergies on a go forward basis including reduced input costs and enhanced manufacturing efficiencies.

Management Commentary

“Today represents a huge milestone for Icanic. Our ability to come together as one with an amazing company like LEEF will only further enhance our position in the market. Micah and the rest of the team have done an amazing job building one of the leaders in the California market and we couldn’t be prouder to call them our partners” said Brandon Kou, CEO of Icanic Brands. “This marriage will allow us to accomplish our collective goals quicker and I am proud to say that the combined teams have already been hard at work analyzing the synergies and identifying efficiencies allowing us to build towards a singular infrastructure.”

Micah Anderson, CEO of LEEF commented, “I am incredibly excited to be taking LEEF into the next stage of its development and together with our new partners at Icanic. We look forward to continuing to build significant shareholder value for many years to come. It’s because of the relentless hard work of LEEF’s employees that we have found ourselves at what I believe is the starting point to the next chapter. I have been in the cannabis industry for many years and, along with the other founding partners of LEEF, have devoted our entire lives to building our company. Winning is the result of having the right people working together with the right vision and Icanic’s management team only strengthens the talents and relationships LEEF brings to the table. I look forward to working with the Icanic team to add tremendous value to the combined organization as it continues to expand and grow in the coming years.”

Terms of the Merger Agreement

Under the terms of the Agreement, the Company will acquire all the issued and outstanding shares of common stock of LEEF whereby LEEF will complete a statutory triangular merger under the *Nevada Revised Statutes* with a wholly-owned subsidiary of the Company. The purchase price (the “**Purchase Price**”) will be comprised of (i) the Closing Purchase Price (as defined below) and (ii) earn-out payments, tied to achieving certain revenue targets following the completion of the Acquisition.

The initial payment forming part of the Purchase Price (the “**Closing Purchase Price**”) will be equal to the higher of (i) US\$120,000,000 or (i) two times the trailing 12-months revenue of LEEF for the period ended September 30, 2021. The Closing Purchase Price will be satisfied in full through the issuance of common shares of the Company (the “**Icanic Shares**”), at an issue price per share equal to the 30-day volume-weighted average trading price of the Icanic Shares on the Canadian Securities Exchange (the “**CSE**”) for the period ending on the business day prior to closing.

The Acquisition is anticipated to be completed during Q1 2022 and is subject to customary closing conditions, regulatory approvals and the approval of LEEF shareholders.

Financial and Legal Advisors

McMillan LLP is acting as legal counsel to Icanic Brands. Bayline Capital Partners is acting as financial advisor and Cassels Brock & Blackwell LLP and Jackson Tidus is acting as legal counsel to LEEF.

About Icanic Brands Company, Inc.

Icanic Brands Company, Inc. is a leading cannabis branded products manufacturer based in California & Nevada, the largest and most competitive cannabis markets in the world. The company's mission is to make cannabis safe and approachable - that starts with manufacturing high-quality products delivering consistent experiences.

For more information, please visit the company's website at: www.icaninc.com.

ICANIC BRANDS COMPANY INC.

Per: "Brandon Kou"
Chief Executive Officer

For further information about Icanic Brands, please contact the Company at:

Email: ir@icaninc.com

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

The Canadian Securities Exchange has not in any way passed upon the merits of the Acquisition and has neither approved nor disapproved the contents of this press release.

Disclaimer for Forward Looking Statements

This news release contains "forward-looking information" and "forward-looking statements" within the meaning of applicable Canadian and United States securities laws (collectively, "forward-looking information"). Forward-looking information are often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect", "likely" and "intend" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions. Forward-looking information in this news release includes, without limitation, statements relating to the completion of the Acquisition, the growth of the California consumer segment of the California cannabis market, the anticipated benefits associated with the completion of the Acquisition, the receipt of all requisite approvals to complete the Acquisition, the closing date of the Acquisition, the Company's goals following closing of the Acquisition and the Company's business and strategic plans. Forward-looking information is based on assumptions that may prove to be incorrect, including but not limited to the ability of the Company to execute its business plan, the continued growth of the medical and/or recreational cannabis markets in the countries in which the Company operates or intends to operate and LEEF maintaining its existing cannabis licenses. The Company considers these assumptions to be reasonable in the circumstances. However, forward-looking information is subject to business and economic risks and uncertainties and other factors that could cause actual results of operations to differ materially from those expressed or implied in the forward-looking information. Such risks include, without limitation: the failure to obtain all necessary

approvals related to the Acquisition, the ability of the Company to complete the Acquisition in a timely manner or at all; the ability of the Company to integrate the LEEF business into its existing operations and to realize the expected benefits and synergies of the acquisition; unexpected disruptions to the operations and businesses of the Company and/or LEEF as a result of the COVID-19 global pandemic or other disease outbreaks including a resurgence in the cases of COVID-19; engaging in activities considered illegal under United States federal law; the ability of the Company to comply with applicable government regulations in a highly regulated industry; unexpected changes in governmental policies and regulations affecting the production, distribution, manufacture or use of cannabis in the United States, or any other foreign jurisdictions in which the Company intends to operate; unexpected changes in governmental policies and regulations affecting the production, distribution, manufacture or use of adult-use recreational cannabis in the United States or Canada; any change in accounting practices or treatment affecting the consolidation of financial results; any unexpected failure of LEEF to renew its licenses and permits; any unexpected failure of LEEF to maintain any of its commercial facilities; the Company's reliance on management; inconsistent public opinion and perception regarding the use of cannabis; perceived effects of medical cannabis products; adverse market conditions; the inherent uncertainty of production and cost estimates and the potential for unexpected costs and expenses; costs of inputs; crop failures; litigation; currency fluctuations; competition; availability of capital and financing on acceptable terms; industry consolidation; loss of key management and/or employees; and other risks detailed herein and from time to time in the filings made by the Company with securities regulators. For more information on the Company and the risks and challenges of their businesses, investors should review their filings that are available at www.sedar.com.