

ICANIC BRANDS COMPANY, INC.

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Icanic Announces Recapitalization Transaction and Support Agreement

VANCOUVER and LOS ANGELES– June 8, 2022– Icanic Brands Company, Inc. (CSE: ICAN, OTCQB: ICNAF) (“**Icanic Brands**” or the “**Company**”), a brand operator of premium cannabis brands in California including Real Deal Resin, Ganja Gold, Taylors, Heady, Paleo Paw and LEEF is pleased to announce today that it has entered into a Restructuring Support Agreement (the “Restructuring Support Agreement”) (as described below) with certain holders of its 2019 Secured Convertible Debentures (the “2019 Secured Convertible Debentures”), to effect a proposed recapitalization transaction (the “Recapitalization Transaction”), and to announce a financing (as described below) of approximately US\$2.0 Million arranged by insiders of the Company.

The Recapitalization Transaction is the next step in the combination and integration of the Icanic and LEEF organizations following the closing of the merger of the companies on April 21, 2022. The Recapitalization Transaction will reduce the Company’s outstanding indebtedness and debt service costs, improve its overall capital structure and result in an enhanced financial foundation for the Company to allow it to move forward and execute upon its business plan. Assuming Completion of the Recapitalization Transaction, the Company’s pro forma outstanding indebtedness will be reduced from **US\$14.5 Million** to approximately **US\$10.9 Million** and its annual interest expense savings will be approximately **US\$110 Thousand**.

Pursuant to the terms of the Restructuring Support Agreement, the Recapitalization Transaction will be implemented pursuant to arrangement proceedings under the British Columbia Business Corporations Act (the “BCBCA”). The Recapitalization Transaction is expected to consist of the following key elements:

- The 2019 Secured Convertible Debentures, which matured on June 6, 2022, will be replaced with new 2022 Secured Convertible Debentures (the “2022 Secured Convertible Debentures”), as further described below;
- The 2019 Secured Convertible Debenture holders will receive, in cash, 25% of the aggregate of the principal and interest outstanding as at June 6, 2022;
- The 2019 Secured Debenture holders will receive the new 2022 Secured Convertible Debentures in an amount equal to 75% of the aggregate principal and interest outstanding as of June 6, 2022;
- The 2022 Secured Convertible Debentures will bear interest at an annualized rate of 11% per annum and will mature 24 months from the effective date of the Recapitalization Transaction;
- The 2022 Secured Convertible Debentures will be convertible into a Unit of the Company at a conversion price of CAD\$0.10 per Unit, with each Unit being comprised of one common share of

the Company and one warrant to purchase an additional common share of the Company at a price per share of CAD\$0.15 for a period of 24 months from the date of conversion; and

- The Company will issue additional secured convertible debentures to insiders of the Company or certain strategic investors arranged by insiders of the Company on the same terms as the 2022 Secured Convertible Debentures for up to US\$2.0 million.

Subject to compliance with the Restructuring Support Agreement, holders of the 2019 Secured Convertible Debenture will forbear from exercising any rights or remedies in connection with any events of default under the 2019 Secured Convertible Debenture trust indenture.

Recapitalization Transaction Details

In connection with the Recapitalization Transaction, the Company and certain of its subsidiaries (collectively, the "Subsidiaries") have either entered into, or indicated agreement to enter into a restructuring support agreement (the "Restructuring Support Agreement") with certain holders of the 2019 Secured Convertible Debentures issued by Leef Holdings Inc. ("LEEF"), the Company's U.S. wholly-owned subsidiary, and which hold in aggregate over 74.5% of the principal amount of 2019 Secured Convertible Debentures. Pursuant to the Restructuring Support Agreement, certain holders of the 2019 Secured Convertible Debentures have, among other things, agreed to support the Recapitalization Transaction and vote in favour of the plan of arrangement (the "Plan of Arrangement") to be filed by the Company in connection with proceedings (the "Arrangement Proceedings") to be commenced under the BCBCA.

After an extensive review and consultation process with its legal and financial advisors, the Company's board of directors (the "Board") concluded that the Recapitalization Transaction represents the best available alternative to improve the Company's capital structure and to allow it to capitalize on its business plan to maximize value for the Company's stakeholders.

"After an extensive review process, consultation with our financial and legal advisors and careful consideration of our available options, the Board has unanimously approved the proposed Recapitalization Transaction," said Brandon Kou. "We believe that the Recapitalization Transaction allows Icanic to move forward with a stronger capital structure and we are excited to execute on our short and long term business plan which we believe will create significant value for our stakeholders."

Commenting on the Recapitalization Transaction, Micah Anderson, CEO of LEEF stated, "The decline in the overall public equity cannabis markets, coupled with the extraordinary market conditions brought on by the pandemic and the delay we experienced in closing the Icanic transaction have resulted in some liquidity constraints for the Company. The Recapitalization Transaction effectively allows our 2019 debenture holders to extend the term of their debenture on better terms with mechanisms in place that allow for significant upside as we continue to build our business. The objective of the Company is to reduce its outstanding indebtedness and its annual interest costs, improve the Company's overall capital structure, and most importantly, provide a stable financial foundation for the Company to capitalize on the opportunities we have in front of us, which I believe to be very meaningful. The Recapitalization Transaction achieves all of these objectives and I look forward to its completion."

Completion of the Recapitalization Transaction through the Arrangement Proceedings will be subject to, among other things, requisite stakeholder approval of the Plan of Arrangement at meetings expected to be held in Q3 of 2022, such other approvals as may be required by the Supreme Court of British Columbia (the "Court"), approval of the Plan of Arrangement by the Court and the receipt of all necessary regulatory and stock exchange approvals

(collectively, the "Requisite Approvals"). If the Requisite Approvals are obtained, the Plan of Arrangement will bind all 2019 Secured Convertible Debenture holders.

Certain of the 2019 Secured Convertible Debenture holders may be considered "related parties" as such term is defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). Accordingly, Recapitalization Transaction may be "related party transactions" as defined in MI 61-101. The Company will rely on the exemption from the formal valuation requirement at section 5.5(b) of MI 61-101 (Issuer Not Listed on Specified Markets) in respect the Recapitalization Transaction, and the exemption from minority approval requirement at Section 5.7(e) of MI 61-101

This news release provides only summary information with respect to the Restructuring Support Agreement and the proposed Recapitalization Transaction. Readers are urged to consult the full text of the Restructuring Support Agreement, a copy of which will be filed by the Company on SEDAR (www.sedar.com). Further information about the Recapitalization Transaction will also be made available on SEDAR and the Company's website (www.icaninc.com). Additional information and key dates in connection with the implementation of the Recapitalization Transaction, including with respect to the arrangement proceedings, will be made publicly available by the Company.

About Icanic Brands Company Inc.

Icanic Brands Company Inc. is a cannabis branded products manufacturer based in California, the largest cannabis markets in the world. The company's mission is to build a great cannabis company with great people and great results.

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

About LEEF

Leef Holdings, Inc. ("Leef"), a wholly owned subsidiary of Icanic Brands Company Inc. (CSE: ICAN, OTCQB: ICNAF) 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 square foot extraction and manufacturing facility with significant throughput and concentrate extraction capability.

For more information about Leef, visit their website at www.leefca.com.

About Ganja Gold

Ganja Gold, a wholly owned subsidiary of Icanic Brands Company Inc. (CSE: ICAN, OTCQB: ICNAF), is the premier brand of infused pre-rolls in the state. Ganja Gold focuses on using only the best available flower and concentrates with state-of-the-art proprietary technology to create connoisseur level pre-rolls unseen in the marketplace. With our flagship Tarantula™, Ganja Gold continues to set the bar in quality and experience.

For more information about Ganja Gold, visit their website at www.ganjagold.com.

About de Krown Enterprises LLC

de Krown Enterprises LLC (“**de Krown**”), a wholly owned subsidiary of Icanic Brands Company Inc. (CSE: ICAN, OTCQB: ICNAF), is a California-based manufacturing partner and brand owner. de Krown has the expertise to provide all types of cannabis services including pre-roll manufacturing, cartridge filling, product packaging, extraction, terpene extraction and topicals/edibles.

For more information about de Krown, visit their website at www.dekrown.com.

ICANIC BRANDS COMPANY INC.

Per: “Brandon Kou”
Chief Executive Officer

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

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 expected revenue, cost of sales and gross profits of the Company for the three months ended July 31, 2022 and the fiscal years ended July 31, 2022, 2023 and 2024, the growth of the California consumer segment of the California cannabis market, the anticipated consolidated financial results associated with the business of LEEF, 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 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; 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 annual filings that are available at www.sedar.com.