

ICANIC BRANDS COMPANY INC. REPORTS THIRD QUARTER 2022 FINANCIAL RESULTS

VANCOUVER, British Columbia, November 30, 2022 (GLOBE NEWSWIRE) -- Icanic Brands Company Inc. (CSE: ICAN, OTCQB: ICNAF) (“Icanic Brands” or the “Company”), a multi-state brand operator of premium cannabis brands in California, is pleased to report its financial results for the three and nine months ended September 30th, 2022. All currency references used herein are in United States dollars unless otherwise noted.

Financial Highlights:

- **Net sales** of \$6,990,820 for the three months ended and \$22,481,453 for the nine months ended September 30th, 2022, representing an increase in Icanic Brands year over year revenue of 180% and 192% respectively.
- **Gross Profit** of \$2,056,650 for the three months ended and \$7,778,814 for the nine months ended September 30th, 2022.
- **Gross Margin** of 29.42% for the three months ended and 34.60% for the nine months ended September 30th, 2022.
- **Adjusted EBITDA** of \$6,316,732 for the three months ended and \$6,313,478 for the nine months ended September 30, 2022.

Management Commentary:

“Since the acquisition of LEEF Holdings, Inc. (“LEEF”) in the spring, management has focused our efforts on integrating the two organizations and identifying and removing redundancies,” said Micah Anderson, Chief Executive Officer. “Additionally, in that period, we have been actively fortifying our team and have commenced the implementation of our strategic objective of shifting our overall focus to higher margin, internally developed CPG products. I am very pleased with our financial results to date and with our continued progress in building on the success of our internally developed brands, such as Real Deal Resin and Ganja Gold.”

“Although the California cannabis industry continues to face many challenges, our company has an extremely strong stable of clients that look to us as an industry leader to help ensure their continued success. We continue to be the engine that powers many of the largest brands in California and for that reason, have continued to perform exceptionally well in a difficult time for our industry. With all of this, I remain confident in the direction that we are going and in the robust opportunities that lay ahead.”

Q3 2022 Financial Results Discussion:

Total revenue for the three months ended September 30th, 2022 was \$6,990,820, which represents an increase of 180% over Q3, 2021. Total revenue for the nine months ended September 30th, 2022 was \$22,481,453, which represents an increase of 192% over the nine months ended September 30th, 2021.

Gross profit was \$2,056,650 for the three months ended September 30th, 2022 and \$7,778,814 for the nine months ended September 30th, 2022. This represents an increase of 94% and 195% respectively versus the same periods in 2021. The increase in gross profits was due to the acquisition of LEEF Holdings, Inc., the strong focus on supply chain management, customer diversification and manufacturing efficiencies.

Adjusted EBITDA was 6,316,732 for the three months ended September 30th, 2022 and \$6,313,478 for the nine months ended September 30th, 2022 after accounting for one time integration and transaction charges, as well as changes in non-cash consideration.

Financial results and analyses will be available on the Company's investor relations website (<https://www.icaninc.com/investors>) and SEDAR (www.sedar.com).

Subsequent Events to the Three Months Ended September 30, 2022:

The Company is also pleased to announce the appointment of Kevin Wilson as Chief Financial Officer effective December 1st, 2022. Mr. Wilson is a Chartered Professional Accountant and has worked with LEEF since 2018 as the Vice President, Finance.

The Company has also announced today that it has implemented a restricted share unit award plan (the "RSU Plan").

The board of directors of the Company (the "Board") have approved the implementation of the RSU Plan effective November 28th, 2022 (the "Effective Date"). Under the RSU Plan, Eligible Persons (as defined in the RSU Plan) may at the Board's discretion, be allocated a number of restricted share units ("RSU"). Upon vesting, Eligible Persons shall be entitled to receive common shares of the Company (the "Common Shares") to satisfy all or any portion of a vested RSU award. The maximum number of RSUs issuable under the RSU Plan is 10% of the issued and outstanding Common Shares at the time of issuance.

The RSU Plan has been adopted to provide a vehicle by which equity-based incentives may be awarded to the employees, consultants, directors and officers of the Company, to recognize and reward their significant contributions to the long-term success of the Company including to align the employees', consultants' directors' and officers' interests more closely with the shareholders of the Company.

Unaudited Q3 2022 Financial and Operational Metrics

Adjusted EBITDA

	Three Months Ended		Nine Months Ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Net Income (Loss) (IFRS)	\$ 10,500,449	\$ (1,587,484)	\$ (6,906,903)	\$ (2,738,134)
Depreciation and amortization	959,747	567,957	1,792,290	1,700,837
Interest expense	513,285	373,284	2,751,284	1,108,690
Income tax expense	200,000	529,343	2,376,118	1,396,978
EBITDA (non-IFRS)	<u>12,173,482</u>	<u>(116,900)</u>	<u>12,789</u>	<u>1,468,371</u>
Adjustments:				
Share-based compensation	230,627	-	1,034,921	-
Change in fair value of contingent consideration	(3,056,618)	-	(1,067,914)	-
Change in fair value of derivative liabilities	(3,296,668)	-	3,243,272	-
Acquisition related professional fees	26,787	-	2,503,327	-
Non recurring operating costs	239,122	-	587,083	-
Adjusted EBITDA (non-IFRS)	<u>\$ 6,316,732</u>	<u>\$ (116,900)</u>	<u>\$ 6,313,478</u>	<u>\$ 1,468,371</u>

About Icanic Brands Company Inc.

Icanic Brands Company Inc. is a leading cannabis branded products manufacturer based in California, 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: "Micah Anderson"

Chief Executive Officer

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

This news release may include forward-looking statements that are subject to risks and uncertainties. All statements within, other than statements of historical fact, are to be considered forward looking. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing, and general economic, market or business conditions. There can be no assurances that such statements will prove accurate and, therefore, readers are advised to rely on their own evaluation of such uncertainties. We do not assume any obligation to update any forward-looking statements except as required under the applicable laws.

Non-IFRS Measures

This press release includes reference to "EBITDA" which is a non-International Financial Reporting Standards ("IFRS") financial measures. Non-IFRS measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS, and are therefore unlikely to be comparable to similar measures presented by other companies. The Company defines EBITDA as earnings before interest, tax, depreciation and amortization and removal of non-reoccurring expenses. EBITDA has no direct, comparable IFRS financial measure. The Company has used or included EBITDA solely to provide investors with added insight into the Company's potential financial performance. Readers are cautioned that such non-IFRS measures may not be appropriate for any other purpose. Non-IFRS measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.