



## LEEF Brands Announces Successful Debt Restructuring and Settlement for Equity

VANCOUVER, British Columbia, May 6, 2024 -- LEEF Brands, Inc. ("**LEEF**" or the "**Company**") (CSE: LEEF, OTC: LEEEF), a premier vertical cannabis operator, today announces an update regarding the Company's convertible debentures, further to its press release dated April 18, 2024. In a strategic financial restructuring, LEEF has successfully agreed to settle for equity a portion of its outstanding 11% convertible debentures due 2024 into units of the Company (each, a "**Unit**") and has extended the maturity on the remaining balance of its outstanding convertible debentures until 2027, marking a pivotal step in the financial restructuring and growth strategy of the Company.

An aggregate principal amount of approximately US\$3,954,000 (plus accrued and unpaid interest thereon) will be settled for an aggregate of 224,045,353 Units at a conversion price of C\$0.029 per Unit. This settlement for equity not only strengthens the Company's equity base but also aligns with shareholders' interests by reducing debt and enhancing shareholder value. The remaining convertible debenture balance of approximately US\$7,995,000 has been extended to mature in September 2027 and will continue to accrue interest at a rate of 11% per annum. This extension provides LEEF with enhanced financial flexibility, allowing the Company to focus more effectively on the strategic growth initiatives.<sup>1</sup>

Each Unit is comprised of one Common share of the Company and one Common share purchase warrant exercisable at a price of C\$0.15 per Common share for a period of 24 months from the date of issuance.

This announcement comes as the recent news of potential rescheduling of cannabis under United States federal regulations to Schedule 3 underscores a potentially positive shift in the regulatory landscape and market dynamics, which the Company anticipates will enhance the business environment in which it operates.

Micah Anderson, CEO of LEEF, expressed his enthusiasm and gratitude: "This strategic restructuring marks a pivotal chapter for LEEF. By settling a portion of our debt for equity and extending the maturity of the balance, we are not only enhancing our financial stability but also positioning the Company for robust growth and scaling. We deeply appreciate our debenture holders for their support and belief in our vision. With an extended financial runway and reduced debt, LEEF is well-positioned to execute the various strategic initiatives we have underway. With restructuring, along with some of the recent cannabis rescheduling news, we are setting the stage for significant value creation."

The Company is also pleased to announce its intention to close a US\$1,000,000 Common share equity round. Kevin Wilson, CFO of LEEF, commented, "In light of the recent potential for cannabis rescheduling, we've initiated a targeted equity round to bolster LEEF's expansion efforts. We see substantial value at our current valuation and are eager to leverage this momentum." The funding will be allocated to advance the strategic initiatives the Company has already set in motion, with updates to be shared shortly. We encourage any interested parties to reach out to the Company as soon as possible as the timing is perfect for people getting into the space before potential rescheduling goes into effect.

### About LEEF Brands Inc.

LEEF Brands Inc. is a leading California-based extraction and manufacturing cannabis company, recognized for its large-scale vertical integration and as one of the state's most sophisticated operators. With a comprehensive supply chain, cutting-edge manufacturing processes, and a dynamic bulk concentrate portfolio, LEEF powers some of the largest brands in California. For more information, visit [www.LeefBrands.com](http://www.LeefBrands.com).

### LEEF Brands Inc.

Per: "Kevin Wilson"

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<sup>1</sup> The convertible debentures were issued with one tranche denominated in Canadian dollars and the other tranche denominated in U.S. dollars. Amounts converted from one currency to the other for the purpose of this press release were converted based on the average daily exchange rate published by the Bank of Canada for April 18, 2024.



Chief Financial Officer

**SOURCE:** LEEF Brands, Inc.

**For further information:**

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**Forward-Looking Statements**

This news release contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements") including, but not limited to, the anticipated effects of the settlement of the Company's convertible debentures for equity and the extension of the maturity of the Company's convertible debentures; the anticipated rescheduling of cannabis under United States federal regulations and the anticipated effects thereof; and the anticipated closing of an equity offering and the anticipated use of proceeds therefrom. Forward-looking statements reflect current expectations or beliefs regarding future events or the Company's future performance or financial results. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates", "targets" or "believes", or variations of, or the negatives of, such words and phrases or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. All forward-looking statements, including those herein are qualified by this cautionary statement. Although the Company believes that the expectations expressed in such 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 the statements. There are certain factors that could cause actual results to differ materially from those in the forward-looking information, including financial and operational results not proving to be as expected or on the timelines expected; the Company not completing certain proposed acquisition or financing transactions at all, or on the timelines expected; the Company not achieving the synergies expected; and other risks disclosed in the Company's Annual Information Form and other public filings on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Accordingly, readers should not place undue reliance on forward-looking statements.

For more information on the Company, investors are encouraged to review the Company's public filings on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). The forward-looking statements and financial outlooks contained in this news release speak only as of the date of this news release or as of the date or dates specified in such statements. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law.