



# IONICBRANDS

A PREMIUM PORTFOLIO OF CANNABIS  
CONCENTRATE CONSUMER BRANDS

INVESTOR PRESENTATION | SPRING 2019



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# IONIC BRANDS

A PREMIUM PORTFOLIO OF  
CANNABIS CONCENTRATE CONSUMER BRANDS

## THE FOUR PILLARS

EXTRACTING  
VALUE

REFINED  
STRATEGY

**IONIC  
BRANDS**

CLEAN  
EXECUTION



# IONIC BRANDS

“IONIC: An attractive vape popular in Washington, IONIC FOCUSES ON POTENCY AND PURITY.”

**URBANDADDY**

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“Nobody smokes marijuana anymore.  
**EVERYONE’S VAPING IT.”**

*The New York Times*

# IONIC BRANDS

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BUILDING A  
CONSUMER FOCUSED  
MULTI-STATE  
CANNABIS CONCENTRATE  
BRAND PORTFOLIO



# HIGHLIGHTS

# IONIC BRANDS

Experienced  
and proven  
Luxury Cannabis  
Concentrates  
brand

The #1 vape  
brand in  
WA state  
with a loyal  
customer base

Largest  
standalone oil  
manufacturer  
in the state of  
Washington

Consistent sales  
growth over  
three years with a  
verified marketing  
blueprint

Offers  
investors  
exposure to a  
premium luxury  
cannabis brand

Demonstrated to  
have winning a  
formula to become  
the top vape  
company in WA

Massive growth  
opportunity  
available with  
expansion into  
OR and CA

# P R O B L E M

IN AN INDUSTRY WITHOUT HISTORIC ESTABLISHED BRANDS IN A FRAGMENTED MARKET, consumers are looking for brands that they can **TRUST**. Small regional companies are ill-equipped to build a national product presence for consumers.

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## **CONCENTRATES: The Hottest Product Category In Cannabis<sup>1</sup>**

- “Branding is crucial to build consumer trust in a company/or product”
- “...a lack of consistency in product types and categories from market to market is confusing at the customer level”



## W H Y   N O W ?

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### MARKET DEMAND/GROWTH

- Concentrates are the fastest growing segment of the legal marijuana industry. IONIC Brands is building a multi-state premium cannabis portfolio of trusted national brands for consumers
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### CONSUMER NEED

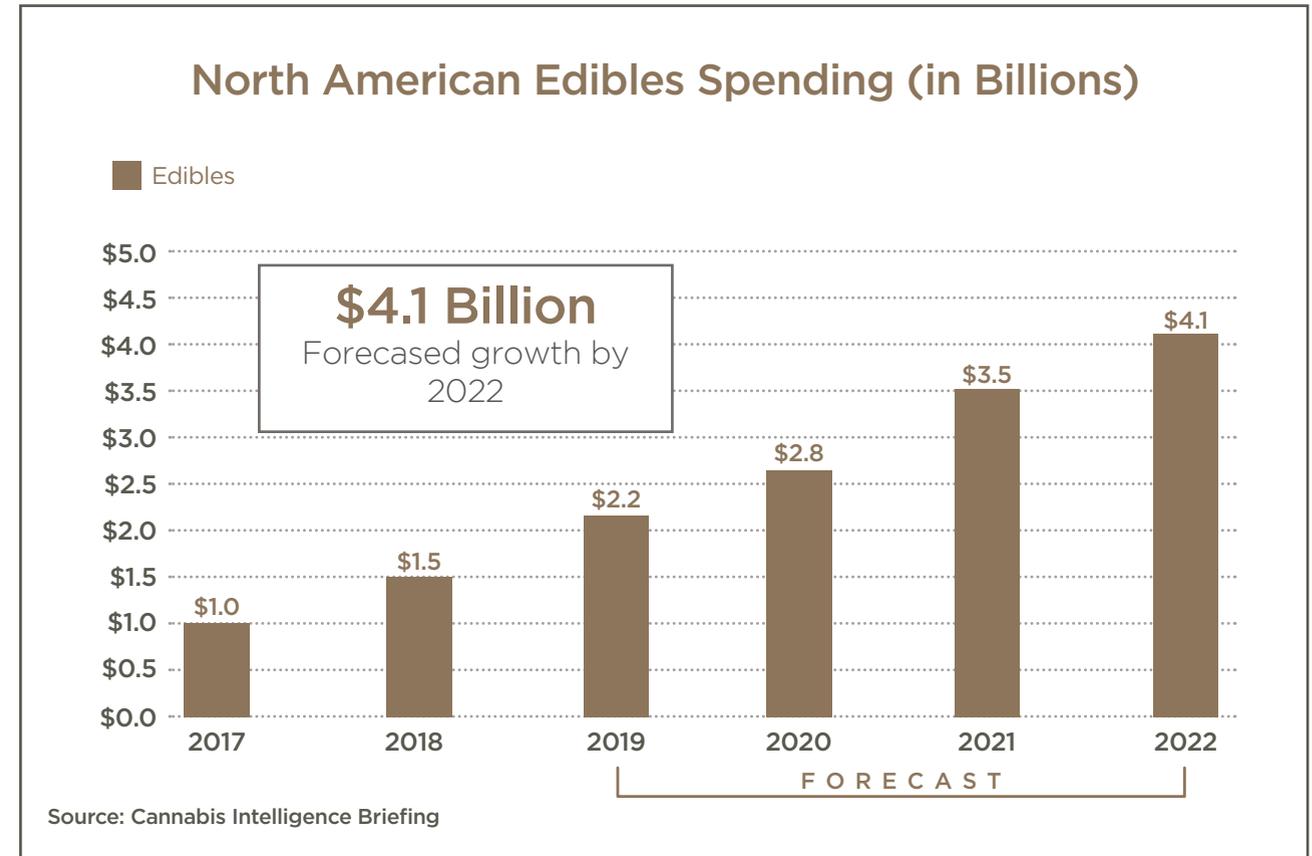
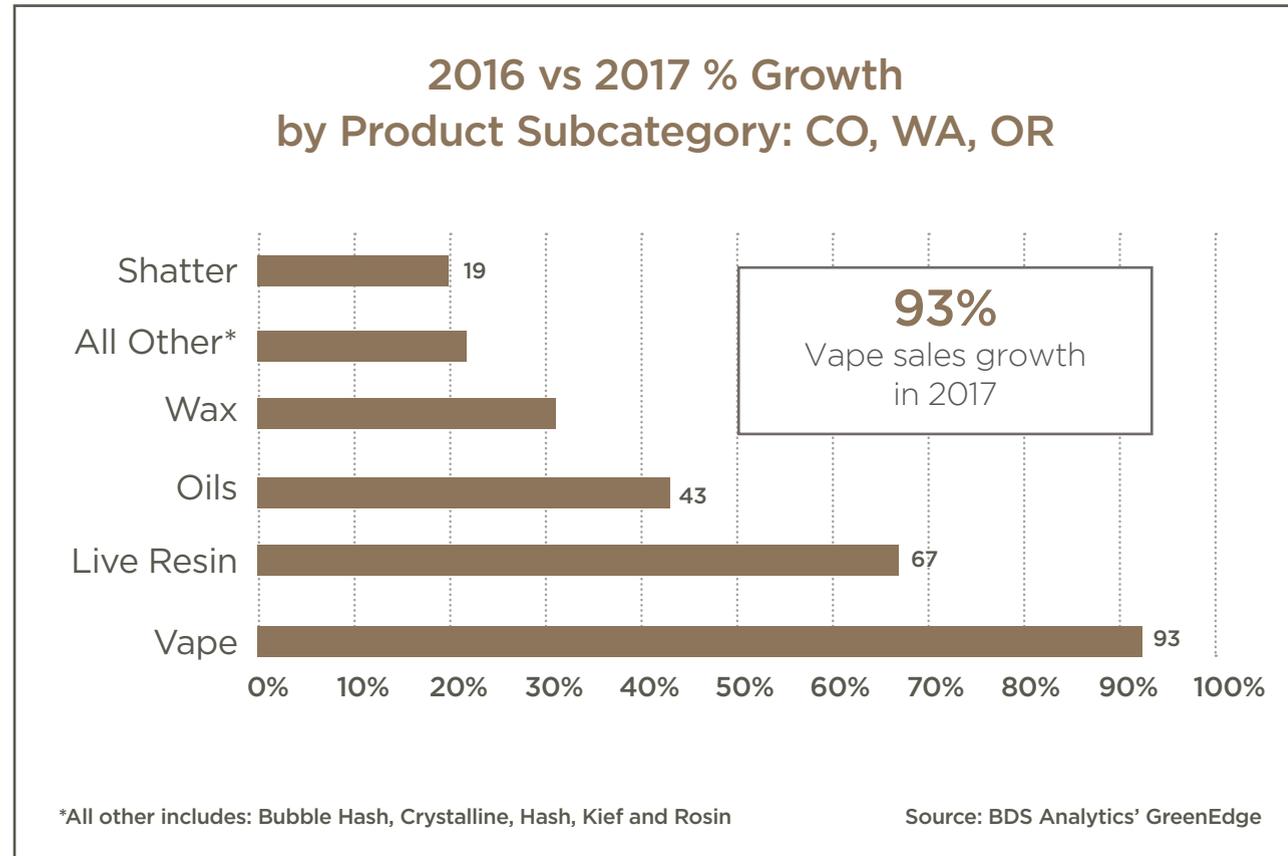
- Consumers are looking for trustworthy, brand products in this new market. IONIC is the #1 Brand in Washington state and has expanded into other markets.
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### MULTI-STATE OF PLAY

- Small regional brands are incapable of scaling to operate at a multi-state level. IONIC Brands has a proven ability to operate in multiple states.

# MARKET DEMAND / GROWTH

RETAIL CONSUMER APPEAL IS PROPELLING CONCENTRATES TOWARD AN ESTIMATED **\$8 BILLION** IN RETAIL SALES BY 2022<sup>1</sup>, OUTPACING GROWTH IN TRADITIONAL FLOWER SALES



<sup>1</sup>Cannabis Intelligence Briefing — Published by Arcview Research in Partnership with BDS Analytics)

# CONSUMER NEED

MASSIVE GROWTH OF SMALL REGIONAL BRANDS,  
BUT NO REAL MULTI-STATE MARKET WINNER YET

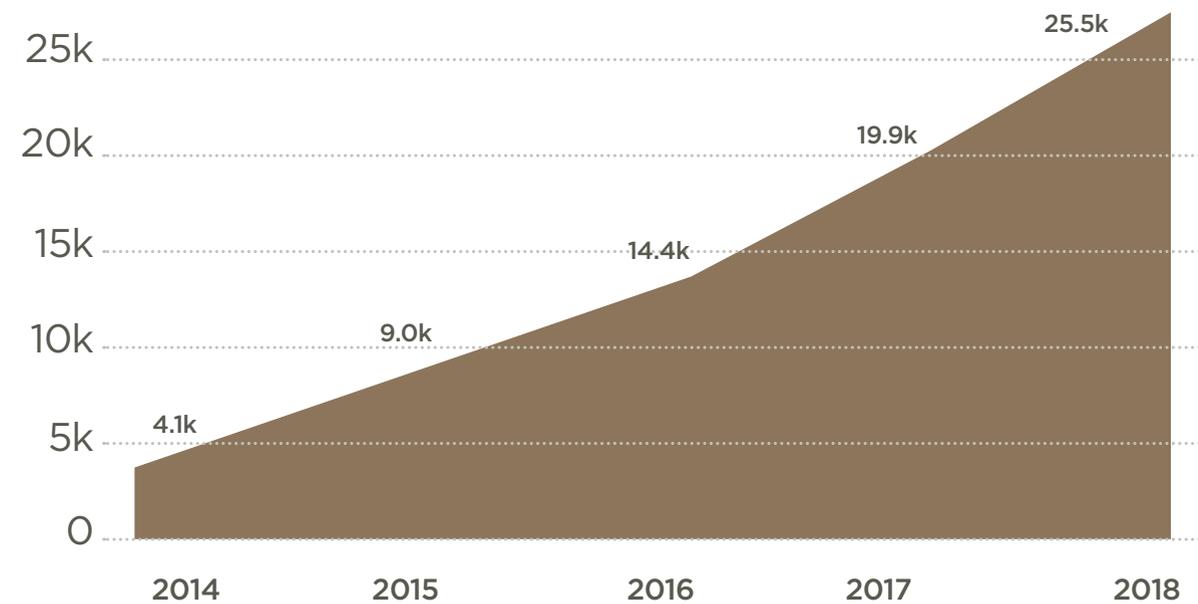
BRANDING HAS BECOME  
AN IMPORTANT PART OF  
THE CANNABIS LANDSCAPE

“For a long time, there were no marijuana brands. Cannabis growers spent so much time trying to conceal their identity from law enforcement and potential thieves that it simply made no sense to create distinctive packaging that would make it easier to track their product...

More than a decade later, widespread legalization has led to an explosion in cannabis brands.”



Colorado - Number of Branded Products on the Market



Source: BDS Analytics' GreenEdge

# HIGHLIGHTS

CREATE A MULTI-STATE, CONSUMER FOCUSED, PREMIUM CANNABIS PORTFOLIO CONSISTING OF ICONIC NATIONAL BRANDS

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## ICONIC BRANDS BY A WORLD CLASS TEAM

- Pure Products driven by IP
- Portfolio Acquisitions in-line with strategy

## PROVEN, REPEATABLE STRATEGY

- #1 Concentrates Company in Washington state
- Repeated in OR and CA
- Exponential growth

## PERFECT POTENTIAL

- A proven and successful company in the fastest growing segment
- Stylish and sophisticated products
- Strategy, product and brand positioned for maximum impact

# SMALL BATCH LUXURY CANNABIS OILS

IONIC is passionate about crafting the finest small batch cannabis oils and cannabis concentrates in the world.

IONIC is an award-winning vape brand in Washington state.

Elevate your cannabis experience.



## BLACK

### A CURATED EXPERIENCE

This premium twice-refined cannabis oil highlight our signature flavor and aroma.



## PURE

### FOR THE PURIST

This triple-refined cannabis oil contains a higher concentrate and delivers a more potent, whole-plant experience.



## WHITE

### FOR THE CONNOISSEUR

This boutique extracted, triple-distilled cannabis distillate offers the most potent cannabis experience with a clean, crisp finish.

Always refined without Glycols, Glycerins or Additives.





# IONIC

## IONIC BLACK

“THIS FLAGSHIP PRODUCT is available in vaporizer cartridges (both half-gram and full gram) and single-use vaporizer pens. TRIPLE-REFINED CANNABIS OIL CONTAINS A HIGHER CONCENTRATE AND DELIVERS A MORE POTENT EXPERIENCE.”



[mgretailer.com](http://mgretailer.com)

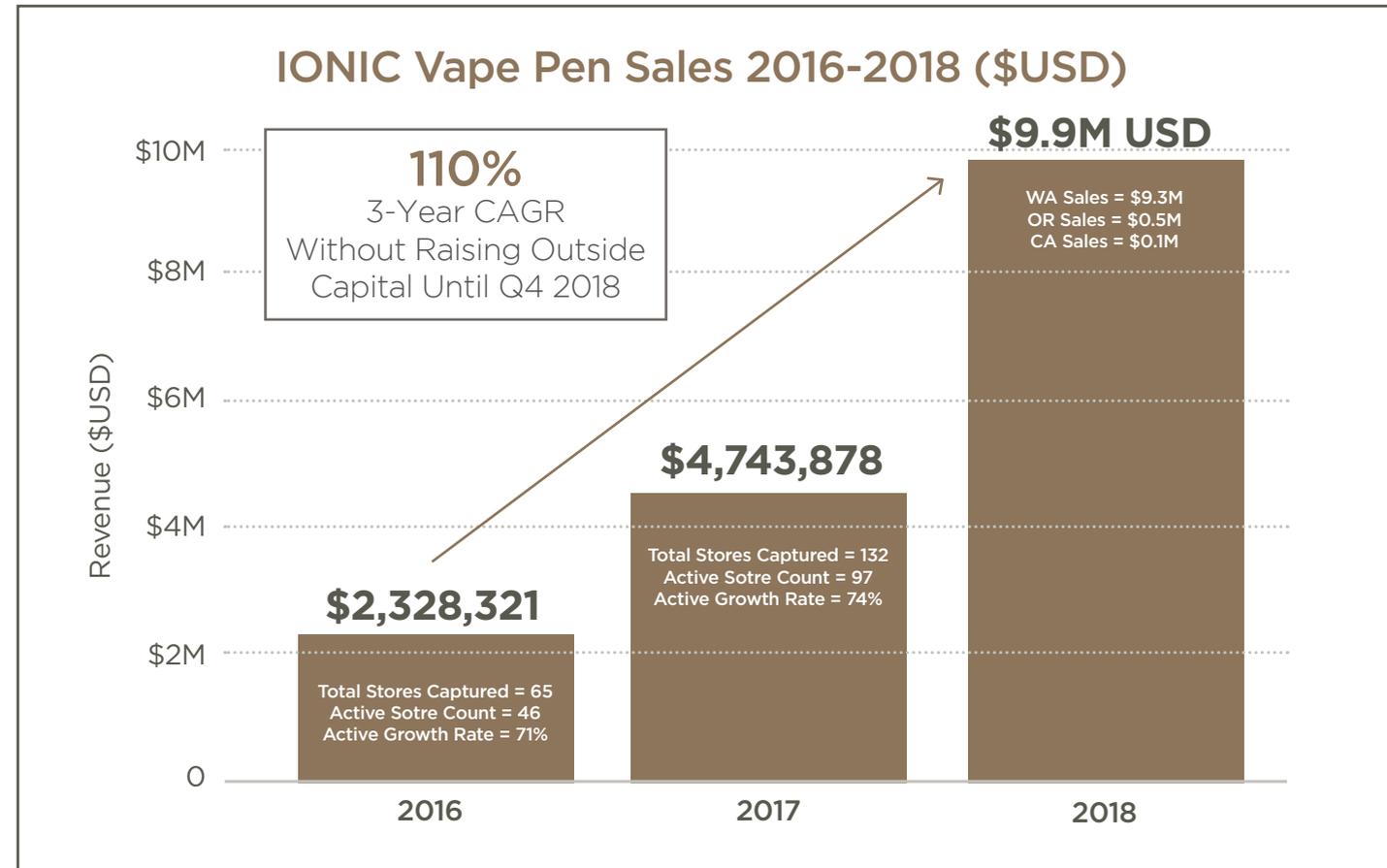


# REVENUE

LAUNCHED IN 2015, IONIC PREMIUM VAPE PENS IS ITS FLAGSHIP RECREATIONAL BRANDED PRODUCT AND FINISHED 2018 WITH \$9.9M USD IN SALES WASHINGTON, OREGON, AND CALIFORNIA

## ESTABLISHED 2015

- An experienced and proven Luxury Cannabis Concentrates Brand.
- The #1 Vape Brand in Washington state with a loyal customer base.
- Operational expertise gleaned from 7-years of hands on experience building company
- Largest standalone oil manufacturer in the state of WA.
- Consistent sales growth over three years.



# STRATEGY AND EXPERIENCE

## EXPERTISE

With a focus on **Quality, Responsibility and Respectability**, IONIC's product lines continue to pioneer the changing landscape of cannabis consumption. Its refinement practices are a result of a passionate commitment to creating the very best concentrates on the market.

## EXECUTION

IONIC, at its core is an oil company, with a focus on Vape. Immediate Product Line Expansion plans include **THC/CBD mixes, Low-Dose Products, High-End Edibles, CASK Oil and Device Innovation.**

## EXPERIENCE

With a powerful sales organization, an innovative product team, and a world-class marketing group, **IONIC's strategy is to repeat their success in each new market.** Leveraging invaluable experience gained over the last 7 years in Washington state, where it has grown to become the #1 Vape Brand in the most competitive market in the U.S.

# OWN THE WEST—WIN THE REST

IONIC BRANDS' STRATEGY IS TO OWN THE HIGHEST-VALUE SEGMENTS OF THE SUPPLY CHAIN IN WEST COAST MARKETS AND EXPAND QUICKLY EASTWARDS VIA ACQUISITIONS

## HOW TO OWN YOUR SUPPLY CHAIN



- **CULTIVATE CANNABIS OUTDOORS** for less than \$0.10/gram on an 140-acre Eastern Washington Farm to use as input product for the oil



- **EXTRACT AND REFINE** the best cannabis oil in the market using ultra-clean CO2 extraction and 7-years operational experience in refining proprietary formulations



- **PATENT-PROTECTED HARDWARE** to provide consumers with unparalleled vaporization experience. The best oil deserves the best hardware.



- **DISTRIBUTION & SALES** techniques learned from the alcohol industry and from 7-years of competing against 91 direct competitors in WA state. Customer service starts here.

## INDIRECT SALES

Through MedMen dispensaries, IONIC distributes Zoots Edibles in the following states:

- **Colorado - 80 stores**
- **Illinois - 3 stores**
- **Massachusetts (Q2 2019)**
- **New York (Q3 2019)**
- **Pennsylvania (Q3 2019)**

It plans to piggy-back these contracts to launch other brands/products in these states and more by the end of 2019.

# MULTI-STATE OF PLAY

## WASHINGTON

Currently available in 128 stores in Washington state. Including 80% of Top-Tier Stores.

## OREGON

Targeting to be in 225 stores by January 2020. (Total of 460 stores are open in Oregon as of July 2018).

## CALIFORNIA

Targeting to be in 318 stores in California by January 2020. Total of 470 legal stores are open in California (as of July 2018). Products on the shelves in California starting in August 2018.



# AT A GLANCE

IN 2012, IONIC OPENED ITS DOORS AS A FAMILY-RUN BUSINESS SELLING DISPOSABLE VAPE PENS IN WASHINGTON STATE'S MEDICAL MARKET. IN 2019, ITS PORTFOLIO OF BRANDS HAS SALES IN 6 STATES AND IS POISED TO DO \$46M+ USD IN SALES<sup>3</sup>

## ELITE BRAND PORTFOLIO



ZOOTS

VUBER

VEGAS M STICK

## VERTICAL-INTEGRATION



140-Acre Farm Capable of growing up to 100,000 lbs of cannabis for < than \$0.10/gram



CO2 Extraction for the Cleanest, Highest-Quality Oil since 2012



Vuber Technologies hardware for the best vaporization experience on the Market



Distribution of product to 337 stores in WA with plans to do same in OR & NV

## BY THE NUMBERS

6

States IONIC brands have sales in<sup>1</sup>

11

Cannabis licenses owned in 3 states<sup>2</sup>

685

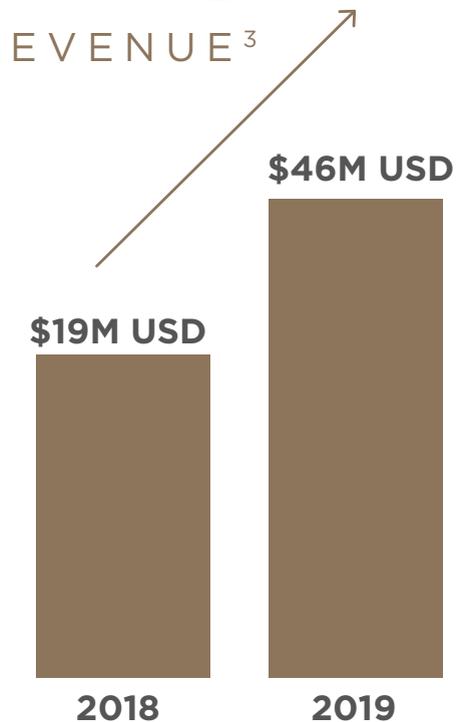
Stores that carry IONIC brands

\$34M+

Organically-generated sales since 2015-2018<sup>3</sup>

## REVENUE GROWTH

PORTFOLIO REVENUE<sup>3</sup>



<sup>1</sup>Direct Sales in WA, OR, NV. Indirect sales in CA, CO, MA.

<sup>2</sup>Owners of licenses in WA, OR and NV that include cultivation, processing, and distribution.

<sup>3</sup>Revenue from IONIC Vape Pens, Zoots Edibles, Vuber Hardware, Vegas M Sticks

# SCALING NATIONALLY

AFTER 7 YEARS IN WASHINGTON STATE'S MEDICAL AND RECREATIONAL MARKET, THE IONIC TEAM IS TAKING IONIC ACROSS THE UNITED STATES

- IONIC BRANDS offers investors exposure to a portfolio of luxury brands including IONIC vaporizer pens, Zoots Edibles, Vuber Technologies, and Vegas M Sticks Vaporizer Pens
- The IONIC team has proven that they have the winning formula to dominate by building Ionic to become the top vape company in Washington state, widely considered the most competitive recreational state
- Massive growth opportunity available via recent expansion into Oregon, Nevada and California and application of a proven sales and marketing formula in these massive markets
- Management has an aggressive growth strategy via expansion and acquisition. 5 acquisitions are ready to close in Q2 2019, offering significant Top-Line Revenue and EBITDA growth, along with expansion into new markets including Nevada, Massachusetts and Illinois
- Diversification of products and product segments, growing from a vape pen company to being vertically-integrated with acquisitions of a local grow in Washington, a leading edibles company, and leading hardware business

IONIC BRANDS

IONIC<sup>®</sup> ZOOTS

VUBER VEGAS M<sup>✶</sup>STICK

# TRANSFORMATIONAL M & A DEALS

IONIC HAS 5 TRANSFORMATIONAL ACQUISITIONS THAT ARE IN THE CLOSING STAGE THAT COMBINED WILL ADD \$30M+ TO OUR 2019E REVENUE

## ZOOTS

- **Description:** WA-Based Edibles company
- **Purchase Price:** \$11.0M USD composed of \$600K Cash & \$10.4M stock
- **Status:** \$600K cash paid and operational integration underway. Deal closes in April 2019.

**\$7.5M**

USD 2019E SALES



## WW AGRICULTURE

- **Description:** Eastern Washington cultivation farm
- **Purchase Price:** \$2.75M USD composed of \$2M Cash & \$750K stock
- **Status:** \$500K cash paid, equipment transferred, integration complete. Deal closes in May 2019.

**\$1.0M**

ADDITIONAL 2019E EBITDA



- **Description:** Nevada manufacturing license & operating vape pen business.
- **Purchase Price:** \$21.15M CAD in stock and \$1.65M CAD cash
- **Status:** Transaction to close in April 2019.

**\$6.6M**

USD 2019E NEVADA

## VUBER

- **Description:** Hardware company
- **Purchase Price:** Up to \$12.5M USD composed of \$2.5M cash & \$10M in stock
- **Status:** Signed LOI with \$100K working capital cash paid. Deal closes in April 2019.

**\$10M**

USD 2019E VUBER SALES



- **Description:** Licensed CA manufacturing facility
- **Purchase Price:** \$2.9M USD composed of half stock and half cash
- **Status:** LOI signed and working on Definitive Agreement. Expected close May 2019.

**\$8.5M**

2019E CA SALES

# IONIC CORPORATE STRUCTURE



● <sup>1</sup> IONIC WA is a separate company from Blacklist. Blacklist has an Irrevocable Purchase Agreement with IONIC, and upon Federal Legalization will be a 100% wholly-own subsidiary.  
○ <sup>2</sup> LOI signed and in place, with deals at various stages in the acquisition process. All deals have some cash or other assets paid, and will be closed in Q2 2019.

# CANNABIS TRADING COMPARABLES

	Ticker	Share Price <sup>1</sup>	Market Cap	EV / EBITDA		EV / REVENUE	
				2019E	2020E	2019E	2020E
<b>CANNABIS COMPANIES</b>							
Planet 13	PLTH	\$1.80	\$211	7.3x	4.7x	1.7x	1.2x
Mjardin	MJAR	\$3.60	\$267	4.6x	2.8x	2.2x	1.4x
DionyMed Brands	DYME	\$3.54	\$310	8.4x	4.4x	1.3x	0.9x
TILT Holdings	TILT	\$2.79	\$1,220	6.2x	2.9x	2.0x	1.1x
1933 Industries	TGIF	\$0.54	\$125	28.9x	10.9x	4.0x	2.9x
CLS Holdings USA	GLSH.U	\$0.37	\$96	4.0x	1.4x	1.3x	0.5x
KushCo Holdings	KSHB	\$5.65	\$589	904.3x	20.6x	3.1x	2.0x
Charlotte's Web	CWEB	\$21.71	\$2,313	30.0x	15.6x	10.6x	5.3x
<b>AVERAGE OF U.S. COMPANIES</b>				<b>18.6x</b>	<b>9.5x</b>	<b>6.1x</b>	<b>2.8x</b>

<sup>1</sup>1. Share Prices as of April 9, 2019

# M A N A G E M E N T



**JOHN P. GORST**  
**Chairman and CEO**

Built, led, and sold four different technology companies with market values up to \$ 600 million. He has raised a total of \$30 million for his past businesses, and is the largest early investor in IONIC. John has been at the helm throughout IONIC's founding and expansion to into Washington's leading vaporizer company.



**ANDREW SCHELL**  
**Vice-Chairman President  
and CSO**

Prior to being a Co-Founder of IONIC, Andrew built several successful companies. He founded and was the CEO of a Department of Defense Company that specialized in Military Operations. Expanded into Washington, Oregon, California, Alaska and Hawaii over the course of 14 years. Had over 250 Employees and bid/awarded over 500 Million in contracts, and sold it in 2014. Has an Engineering background rounded in operations, strategy and contract law. He has a passion for M&A Negotiations and Business Strategies.



**CHRISTIAN STRUZAN**  
**Co-Founder and CMO**

Over 30 years of experience in marketing and branding in the entertainment and consumer goods industries. Founded an ad agency which executed marketing campaigns for many feature films including: the Star Wars franchise, Sideways and television series American Idol, as well as working such global brands as Guinness, Stella Artois and Beck's. Expertise in electronic, mobile, and print media advertising. He was responsible for designing the poster for the 80th Academy Awards.



**JOHNNY STANGE**  
**Chief Revenue Officer**

Prior to joining IONIC, Johnny was director of sales for the Southern California region for Treasury Wine Estates, a major wine wholesaler, where he was directly responsible for growing and overseeing annual sales of \$250 million. He also held sales and management positions for Southern Wine & Spirits and was responsible for growing and developing markets in south Florida and California markets (the largest in the U.S.). Since joining Ionic, sales have increased another 40% in less than 18-months.

# MANAGEMENT



**BRYAN J. SALAS**  
**EVP of Sales &  
General Manager**

Mr. Salas first co-founded the company in 2012 with a vision into the future. He took the role of Vice President of Sales from 2012-2017 leading the company to become one of the top selling vaporizer brands sold in the State of Washington. Throughout these years, Mr. Salas was critical in supporting the functions of IONIC's supply chain, product development, marketing, human resources and technology.



**SCOTT M. MANSON**  
**CFO and General  
Counsel**

Scott is both a CPA and an Attorney. Mr. Manson is presently a Managing Member of Greyzdorf LLC, a real estate investment firm. Mr. Manson is also an advisor and has also served on the Board of Sprizzi Drink, a start-up manufacturer and distributor of beverage dispensing machines. Prior to Blacklist Mr. Manson, has been CFO of numerous public and private companies and has consulted for two cannabis companies. Mr. Manson received his J.D. from Hofstra University School of Law.



**ZACH W. BELL, Ph.D.**  
**Chief Science Officer**

Zach obtained his Ph.D. with Prof. David F. Clayton, Ph.D. at Queen Mary, University of London, investigating experience-dependent cortical gene regulation. Before his Ph.D., he received research training at Mount Sinai Hospital (New York, NY), Columbia University (New York, NY), and the University of Memphis. Zach brings a decade of research and project management experience, and his research findings have been published and presented around the world.



**DAN DEVLIN**  
**Co-Founder Zoots and COO**

Prior to joining Blacklist, Dan Devlin was a co-founder of Db3 Incorporated, a licensed cannabis company in Washington State and Co-founder of Natural Extractions Inc, the licensing and marketing arm of Zoots. Mr. Devlin brings more than 40 years of experience in business management, finance and market development largely in the consumer products, manufacturing and telecommunications sectors. Dan is a graduate from Harvard Business School.

# C A P T A B L E

CURRENT OUTSTANDING

**108,436,716**

WARRANTS

**2,726,580**

@ \$0.54

ISSUED & OUT

**118,163,296**

CASH POSITION

**\$3.5 Million**

April 2, 2019

# C O N T A C T

## **SKANDERBEG CAPITAL**

### **Mario Vetro**

Partner- Skanderbeg Capital Advisors

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