

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own personal financial advice from your stockbroker, bank, solicitor, accountant or other appropriate independent professional adviser.

If you have sold or otherwise transferred all of your shares in Iconic Labs plc (“**Company**”), please pass this document, together with the accompanying documents, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Iconic Labs plc
Registered in England and Wales No. 10197256
27-28 Eastcastle Street
London
W1W 8DH

7 February 2020

To ordinary shareholders

Dear Shareholder

Notice of General Meeting

I am pleased to send you details of a general meeting (“**GM**”) of the Company, which will be held at the offices of DLA Piper UK LLP, 160 Aldersgate Street, London, EC1A 4HT on Thursday 27 February 2020 at 11.00 am. I hope that you will be able to attend.

The formal notice of the GM, which is set out on pages 8 and 9 of this document (“**Notice**”), sets out the business to be considered at the GM and the resolutions (“**Resolutions**”) that the Company is asking its shareholders to pass in connection with the business to be considered. The purpose of this letter is to provide you with further details about those items of business.

On 6 August 2019, the Company announced that it had secured further financing from European High Growth Opportunities Securitization Fund (represented by its management company European High Growth Opportunities Manco SA, a company registered in Luxembourg whose registered office is at 18, Rue de Robert Stumper, 2557 Luxembourg, registered with the Luxembourg trade and companies register under number B 124207) (the “**Investor**”) for a gross amount of up to £1.375 million, which would provide the Company with capital to continue to resolve the outstanding legacy issues associated with the previous operating stem cell business, fund the cash consideration elements for the acquisition of Social Alchemist Limited (“**Social Alchemist**”) and for general working capital purposes. This involved the Company entering into a deed of issuance with the Investor (“**Deed of Issuance**”). Please note that the Company has not yet concluded the acquisition of Social Alchemist following the entering into of heads of terms, but is hopeful that this can be concluded in this next quarter.

Pursuant to the terms of the Deed of Issuance, the Investor agreed to provide finance to the Company, and to date, the Company has drawn down net monies amounting to £1,300,000 in aggregate under the Deed of Issuance. Each time the Company draws down a tranche it issues the Investor with a number of notes. These notes attract interest at the rate of five per cent. per annum and each note has a duration of 12 months from the date of its issue. The notes can be freely transferred, will not be listed on any

financial market and are not capable of being converted into ordinary shares of £0.0025 each in the capital of the Company (“**Ordinary Shares**”). On entering into the Deed of Issuance, the Company agreed to certain covenants and undertakings which it gave to the Investor. This included the Company passing the Resolutions which will enable the Company to attach warrants to the notes that have been issued. The number of warrants to be attached to the notes is to be calculated as follows: for each note the number of warrants shall be 5,000 divided by 90 per cent. of the lowest closing volume weighted average price (“**VWAP**”) of the Ordinary Shares during the five trading days immediately preceding the date of issue of the warrants.

The Company also announced on 6 August 2019, that it had agreed to settle with the Investor the remaining amounts due that were outstanding under a previous financing agreement entered into with the Investor. This involved the Company entering into a deed of settlement on 5 August 2019 (“**Deed of Settlement**”) pursuant to which the Company issued 237,827,207 Ordinary Shares to the Investor, with further Ordinary Shares to be issued once a number of conditions had been satisfied.

On the same date as this document, the Company made an announcement that it had secured additional financing from the Investor for a gross amount of up to £5,000,000 with a commitment by the Company to draw down on at least £2,000,000 of funding, with the decision of the Company as to whether to take more than £2,000,000 being in the sole discretion of the Company. This provides the Company with sufficient capital to pursue its near-term growth strategy of organic expansion and by making opportune, well-priced smaller acquisitions. It would also be used for general working capital purposes.

To effect the financing, the Company has entered into a financing and settlement agreement (“**Financing and Settlement Agreement**”) with the Investor, which is capable of being drawn down in tranches upon a number of conditions being met, which includes the Resolutions being passed and the issue by the Company of a prospectus. The Financing and Settlement Agreement includes the issuance of warrants to the Investor. The Company is obliged to issue a prospectus, as the Company is not able to use the 20 per cent. exemption set out in PRR1.2.4EU(a) (with reference to Article 1, paragraph 5(b) of the Prospectus Regulation Rules). The Financing and Settlement Agreement also provides for the settlement of all amounts (including the issue of further Ordinary Shares) due under the Deed of Settlement, by writing down the amount outstanding by 30 per cent. and the balance being settled by the issue of notes pursuant to the terms of the Financing and Settlement Agreement.

Shareholders are being asked to approve 3 resolutions in order to enable the Company to (i) sub-divide each of the existing Ordinary Shares of the Company into one ordinary share of £0.00001 each (“**New Ordinary Shares**”) and one deferred shares of £0.00249 each (“**Deferred Shares**”) and adopt new articles of association of the Company which set out the rights attaching to the new Deferred Shares; (ii) issue the warrants under the Deed of Issuance; and (iii) issue the notes and warrants under the Financing and Settlement Agreement which will enable the Company to draw down the monies under that agreement and settled the amounts outstanding under the Deed of Settlement.

Rationale for Proposals

The Company’s business is now generating revenues and starting to achieve real growth and traction. The management team has a strong pipeline of potential contracts and has also successfully launched its first platform with the acquisition and revamp of GSN, the leading LGBT website.

Recent announcements include:

GSN website Relaunch

The Company relaunched the GSN website at the end of January. GSN was acquired by the Company for £33,000 in September 2019, generated over £500,000 in revenue last year, which management

believe they can significantly improve on through their experience and application of their expertise in the new media space.

GSN, which has been rebuilt and rebranded, already attracts over one million people each month. News articles are now being published regularly on GSN and revenue is being generated via display advertising. The Company has received significant interest in branded content partnerships for GSN and the new rebranded website and will announce significant contracts as they are signed.

GSN is currently in the top three of LGBTI social media publishers in the UK and focusses on creating content on news topics both within the LGBTI community and general news. It has a strong social presence on Facebook boasting over 800,000 followers, the support from a strong celebrity base and has pioneered campaigns and events which have had global exposure. The Company is working on both the internal development of further platforms and ways of working with existing platforms and will update the market as developments take place.

Launch of New Iconic Labs Corporate Website

Since the launch of its website in late November, the Company has seen a considerable increase in interest across all parts of its business. The launch of the website which symbolises the formal launch of Iconic Labs to the industry provides details of the Company's strategy as well as a platform to provide regular news flow. The launch of the website coincided with a renewed push in growing a pipeline of potential contracts, and although these take some time to agree and sign, the strategy is beginning to produce results.

New Consulting and Marketing Agreement Signed with Wellness Client

The Company has achieved traction on organic revenue growth, and in early January signed a consulting and marketing agreement with a client in the fast-growing wellness industry. Under the terms of the Agreement, the Company will deliver an initial six-week promotional campaign. The client has an option to extend the campaign to 12 months. Work has already commenced under the contract and the Company is helping the client to create and distribute advertising content focussed at the 'on-demand Yoga and Pilates' market, which is worth over £800m in the UK alone.

Creation of a new joint venture marketing services company – Coalition Media

The Company is focussed to grow its sales pipeline and look for interesting business development opportunities. The Company created a 50/50 joint venture marketing services company with Bacchus Creative Entertainment ("**Bacchus**"), called Coalition Media Limited ("**Coalition**"). Bacchus is an established agency that represents a large number of prestigious brands. Coalition therefore provides significant benefits for each party: for Bacchus, it enables them to add to their offering for clients the industry leading expertise of the Company's team in understanding social media, digital content production and access to media platforms like GSN, and for the Company it provides immediate access to a suite of top tier brands. Management therefore believe this transaction could produce significant upside for the Company.

The joint venture is a complimentary and strategically beneficial partnership that will allow the Company to access clients that were previously very difficult to access. The Company also notes that it is determined to use its capital efficiently and this joint venture has required no cash investment from either party, with the result that net profits on engagements pursuant to the joint venture will be materially enhanced due to reduced or no cost of customer acquisition.

Pending Acquisition of Social Alchemist (Heads of Terms Agreed)

The Company is continually looking to grow the business with the right capital efficient, revenue generative and synergistic acquisitions. The Company agreed Heads of Terms to acquire social media agency Social Alchemist in August and will look to complete the purchase after securing new financing. The acquisition price has not been disclosed for commercial reasons, but it is initially similar to the successful GSN acquisition. Formally integrating Social Alchemist into the business which will bolster the Company's offering, build critical mass within its social media consultancy division, enhance content generation and importantly provide proprietary distribution channels

Social Alchemist was founded by Jono Yates, ex Creative Lead at LADbible and Head of Influencer Marketing at Red Bull. He has worked with brands including McDonald's, Pepsi and Sony and has led award winning creative campaigns, both branded and editorial, receiving awards at Cannes and the Drum Awards for Digital Industries ('DADI's). Social Alchemist was launched in October 2018 and has yet to produce or file any statutory accounts, however at this time it is revenue generative, cash flow positive and profitable.

Current position of the Company's business

Building a business based on growing revenues in the short and medium term while developing and building the long term value of brand assets is something the management team did successfully at UNILAD and they believe a similar model will be even more successful at the Company.

The launch of the new GSN website is particularly significant because it not only provides revenues and access to the LGBTI market, estimated to be in the region of \$3.6 trillion of annual spend globally, but also secures for the Company a platform and brand with credibility in such a valuable sector.

Since the launch of the new GSN website, it is attracting over a million monthly users and in just one month since the launch the Company has secured initial revenues and has a sales pipeline which is ahead of management's expectations. GSN represents a blue print of the overall plan for the Company, building or acquiring assets that have great value potential and can, when combined with the expertise of the management team, potentially become world leading brands in valuable sectors.

The management team considers that value has already been created in the Company's business, and that this is not fully recognised in the current share price. Management recognises that the share price is currently being held back because of the dilutive effects of, and uncertainty relating to, the historic debt position inherited from the old WideCells business, and which continues to have an impact on the current financing position of the Company.

Board restates aim to move to clean balance sheet

In light of the above, the board wishes to provide clarity on the existing arrangements and set out a clear plan to achieve its stated ambition to move to a clean balance sheet, whereby near-term growth is conventionally funded through net free cashflow and the issuance of New Ordinary Shares in an open offer or placing, rather than through facilities which include variable conversion rights.

Consultation with the Investor and Shareholders

As a first step the Company has over the last three months engaged with the Investor, as provider of the historic and current facilities, in an attempt to try and settle the historic and current debts of the Company and develop a comprehensive plan to deal with the Deed of Issuance and Deed of Settlement as well as the near term funding requirements of the Company.

As background, the Deed of Issuance and Deed of Settlement were negotiated and secured in a situation whereby the Company had no other viable options for financing and urgently needed to resolve the liabilities from historic financing facilities, including penalties and debts incurred under agreements entered into by the old WideCells management team before the launch of the Company.

In parallel, the board consulted with its advisers and has also certain institutional shareholders to canvass views on the best steps towards the stated capital aim while enabling the Company to continue to grow. While the institutional shareholders consulted indicated that they would consider participating in an equity offering once the balance sheet was more conventional, they held a consistent view that there was not appetite to successfully place equity before this has been achieved. This confirmed the view of the board that the move towards a clean balance sheet is the correct aim, but that it cannot be achieved in one step. Specifically, a placing or open offer to enable the Company to settle all existing amounts owed to the Investor and provide growth and working capital to the business is not possible at this time. However, on the basis of the consultations with the institutional shareholders, the board is confident that there will be interest in providing equity funding once the situation with the Investor has been resolved and has therefore negotiated the Financing and Settlement Agreement with a view to enabling the Company to move towards a clean balance sheet.

The plan to resolve the balance sheet overhang

As a result of the above discussions, the board entered into further negotiations with the Investor to enter into a comprehensive agreement dealing with the outstanding obligations and providing funding for the Company sufficient to enable it to grow while moving to a clean balance sheet. These matters are dealt with in the Financing and Settlement Agreement and the Company hopes to achieve a clean balance sheet as early as the second half of this year.

The Financing and Settlement Agreement entered into with the Investor, involves, amongst other matters, the Investor agreeing to a 30 per cent. reduction of the total amounts it was owed under the Deed of Settlement. Consequently, the Deed of Settlement is no longer applicable and all amounts due under that agreement, including the Make Whole Amount, have now been reduced by 30 per cent. and are fully dealt with in the Financing and Settlement Agreement. The Investor has agreed to settle these amounts through the issue of new notes to the Investor, with such notes to be issued on the first draw down under the Financing and Settlement Agreement.

The principal terms of the new funding under the Financing and Settlement Agreement are that the Company will be entitled to draw down a base amount of £250,000 per month (subject to upwards and downwards adjustments primarily based on trading volumes), and each month convertible loan notes will be issued to the Investor which it will then be able to convert and sell prior to the next tranche. Each note issued has a duration of 12 months from the date of its issue. The notes can be freely transferred, will not be listed on any financial market and are capable of being converted into Ordinary Shares. Once issued, the notes can be converted at the higher of 90 per cent. of the lowest closing VWAP of the Ordinary Shares during the applicable period preceding the date they are to be converted and the nominal value of the Ordinary Shares.

On entering into the Financing and Settlement Agreement, the Company agreed to certain covenants and undertakings which it gave to the Investor. These include the Company passing the Resolutions proposed in this circular and issuing a prospectus which will allow the Company to draw down under the Financing and Settlement Agreement and issue the notes together with the attached warrants. The prospectus is substantially complete and subject to final approval by the relevant authorities will, provided the resolutions are passed, be issued shortly after the GM.

The funds available under the Financing and Settlement Agreement are intended to cover working capital and growth needs, also includes funds to cover legal costs that were incurred dealing with the

old WideCells business as well as the associated costs of issuing a new prospectus. However, the majority is explicitly allocated for growth capital. In the view of the board this represents the best available option to fund the Company business while transitioning to raising conventional capital can be secured.

The Resolutions

Resolution 2 is proposed as an ordinary resolution. This means that, for that resolution to be passed, more than 50 per cent. of the votes cast must be in favour of the resolution.

Resolutions 1 and 3 are proposed as special resolutions. This means that, for each of those resolutions to be passed, at least 75 per cent. of the votes cast must be in favour of the resolution.

Resolution 1: Sub-division of the Ordinary Shares and adoption of new articles of association

The Company needs to reorganise its existing Ordinary Shares in order to effect the proposals set out in this document. If passed, following the record date for the sub-division being 6.00pm on 27th February 2020, this resolution will sub-divide each existing Ordinary Shares into one New Ordinary Share and one Deferred Share, and the Company will adopt new articles of association which set out the rights attaching to the new Deferred Shares. The New Ordinary shares will be admitted to trading and the Deferred shares created on 28th February 2020.

Resolution 2: Authority to allot relevant securities in respect of the Deed of Issuance and the Financing and Settlement Agreement

In order for the Company to be able to issue the warrants under the Deed of Issuance, draw down under the Financing and Settlement Agreement and issue the notes and warrants under the Financing and Settlement Agreement, the directors will need authority to do so. If passed, this resolution will authorise the directors to issue the notes and warrants (which grant rights to subscribe for New Ordinary Shares). If given, this authority, which is in addition to any existing other authorities to allot relevant securities, will expire on 26 February 2025.

Resolution 3: Disapplication of pre-emption rights in respect of the Deed of Issuance and the Financing and Settlement Agreement

To disapply the pre-emption rights conferred by the Companies Act 2006 (the “Act”) in connection with the issue of the warrants under the Deed of Issuance and the notes and warrants under the Financing and Settlement Agreement, as the authority conferred by Resolution 2 above contemplates, the Company will need to pass this resolution.

This Resolution will be proposed as a special resolution and is in addition to any existing powers conferred on the Company. If given this authority will expire on 26 February 2025.

Recommendation

The directors consider that all the resolutions set out in the Notice are in the best interests of the Company and its shareholders as a whole. Those directors who hold shares in the Company will be voting in favour of all of the resolutions, and unanimously recommend that you do so as well.

Action to be taken

If you would like to vote on the resolutions set out in the Notice but cannot come to the GM, please appoint a proxy or proxies by completing the Proxy Form sent to you with this document, and returning it to our registrars.

Your proxy appointment must be received by **11.00am on Tuesday 25 February 2020**. Further details relating to voting by proxy are set out in the notes to the Notice on page 10 of this document and in the Proxy Form.

Yours sincerely

John Quinlan
Interim Chairman

ICONIC LABS PLC

NOTICE OF GENERAL MEETING

(Incorporated and registered in England and Wales with registered number 10197256)

Notice is given that a General Meeting of Iconic Labs plc (“**Company**”) will be held at the offices of DLA Piper UK LLP, 160 Aldersgate Street, London, EC1A 4HT on Thursday 27 February 2020 at 11.00 am for the purposes of considering and, if thought fit, passing the following resolutions, which will be proposed as ordinary resolutions and special resolutions as appropriate.

SPECIAL RESOLUTION

1. THAT:
 - a. each of the ordinary shares of £0.0025 each in the share capital of the Company be subdivided into one ordinary share of £0.00001 each and one deferred share of £0.00249 each; and
 - b. the draft articles of association produced to the meeting and signed by the chairman of the meeting for identification purposes, be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association of the Company.

ORDINARY RESOLUTION

2. THAT, subject to the passing of Resolution 1 and pursuant to section 551 of the Companies Act 2006 (“**Act**”), the directors be and are generally and unconditionally authorised to exercise all powers of the Company to allot ordinary shares of £0.00001 each in the capital of the Company (“**Ordinary Shares**”) or grant rights to subscribe for or to convert any security into Ordinary Shares (“**Rights**”) (such Ordinary Shares and Rights being “**Relevant Securities**”) up to an aggregate nominal amount of £300,000 as required pursuant to or as contemplated by:
 - a. a deed of issuance entered into on 5th August 2019 with European High Growth Opportunities Securitization Fund (represented by its management company European High Growth Opportunities Manco SA, a company registered in Luxembourg whose registered office is at 18, Rue de Robert Stumper, 2557 Luxembourg, registered with the Luxembourg trade and companies register under number B 124207) (the “**Investor**”); and
 - b. a financing and settlement agreement entered into on 7 February 2020 (“**Financing and Settlement Agreement**”) with the Investor,

provided that (unless previously revoked, varied or renewed) this authority shall expire on 26 February 2025, save that the Company may make an offer or agreement before this authority expires which would or might require Relevant Securities to be allotted or granted after this authority expires and the directors may allot or grant Relevant Securities in pursuance of such offer or agreement as if this authority had not expired.

This authority is in addition to all existing authorities under section 551 of the Act, and does not revoke, any existing authorities previously granted to the directors to issue, allot or grant Relevant Securities.

SPECIAL RESOLUTION

3. THAT, subject to the passing of Resolutions 1 and 2 and pursuant to section 570 of the Act, the directors be and are generally empowered to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority granted by Resolution 2 being the directors' authority to allot or grant Relevant Securities in connection with the deed of issuance entered into on 5th August 2019 with the Investor and the Financing and Settlement Agreement, up to an aggregate nominal amount of £300,000 as if section 561 of the Act did not apply to any such allotments and (unless previously revoked, varied or renewed) this power shall expire on 26 February 2025, save that the Company may make an offer or agreement before this authority expires which would or might require Relevant Securities to be allotted or granted after this authority expires and the directors may allot or grant Relevant Securities in pursuance of such offer or agreement as if this authority had not expired.

This authority is in addition to all existing authorities under section 551 of the Act, and does not revoke, any existing authorities previously granted to the directors to issue, allot or grant Relevant Securities.

By order of the board

John Quinlan
Interim Chairman

Dated: 7th February 2020

Registered office
27-28 Eastcastle Street
London
W1W 8DH

Notes

Entitlement to attend and vote

1. The right to vote at the meeting is determined by reference to the register of members. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, those Shareholders registered in the register of members of the Company as 6.30 pm on 25 February 2020 (or, if the meeting is adjourned, close of business on the date which is two working days before the date of the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries in the register of members after that time shall be disregarded in determining the rights of any person to attend or vote (and the number of votes they may cast) at the meeting.

Proxies

2. A Shareholder is entitled to appoint another person as his or her proxy to exercise all or any of his or her rights to attend and to speak and vote at the meeting. A proxy need not be a Shareholder of the Company.
3. A Shareholder may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. Failure to specify the number of shares each proxy appointment relates to or specifying a number which when taken together with the numbers of shares set out in the other proxy appointments is in excess of the number of shares held by the Shareholder may result in the proxy appointment being invalid.
4. A proxy may only be appointed in accordance with the procedures set out in notes 6 and 7 below and the notes to the form of proxy.
5. The appointment of a proxy will not preclude a Shareholder from attending and voting in person at the meeting.
6. A form of proxy is enclosed. When appointing more than one proxy, complete a separate proxy form in relation to each appointment. Additional proxy forms may be obtained by contacting the Company's registrar on 01903 706150 or the form of proxy may be photocopied. State clearly on each form of proxy the number of shares in relation to which the proxy is appointed.
7. To be valid, a form of proxy must be received by post or (during normal business hours only) by hand at the offices of the Company's registrar, SLC Registrars, no later than 11.00am on 25 February 2020 (or, if the meeting is adjourned, no later than 48 hours (excluding any part of a day that is not a working day) before the time of any adjourned meeting).

Corporate representatives

8. A Shareholder which is a corporation may authorise one or more persons to act as its representative(s) at the meeting. Each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual shareholder, provided that (where there is more than one representative and the vote is otherwise than on a show of hands) they do not do so in relation to the same shares.

Website providing information about the meeting

10. The information required by section 311A of the Act to be published in advance of the meeting, which includes the matters set out in this notice and information relating to the voting rights of shareholders, is available at www.iconiclabs.co.uk.