

FAQ – Iconic Labs Shareholder General Meeting (the “GM”) of 15 June 2021

Q: Where can I get an overview of the GM?

A: Please watch the video interview of our CEO, Brad Taylor, on our website for a general overview of the GM.

We also encourage shareholders to read the Iconic Labs, Plc – Notice of General Meeting on our website (in the Corporate Documents section under the Investors tab) for more specific information regarding the GM.

Q: When will the GM be held?

A: On Tuesday, 15 June 2021 at 2pm BST.

Q: Where will the GM be held?

A: At the offices of KWM Europe LLP, 11th Floor, 20 Fenchurch Street, London EC3M 3BY.

Q: Can I attend the GM in person?

A: No, due to COVID restrictions you cannot attend in person.

Q: So how can I attend the GM?

A: You can attend the GM virtually.

1. You will need to contact Iconic Labs’ registrar, SLC Registrars, at +44 (0)203 890 2122.
2. You will need to provide them with proof of your shareholding.
3. They will then send you a Form of Proxy and the information on how to attend the meeting virtually.

Q: Can I vote virtually when I attend the meeting online on 15 June?

A: No, you cannot vote virtually at the meeting. You must vote by proxy.

Q: How do I vote by proxy?

- A:
1. A Form of Proxy for the GM can be obtained by contacting the company's registrar, SLC Registrars, at +44 (0)203 890 2122.
 2. State clearly on the Form of Proxy the number of shares in relation to which the proxy is appointed.
 3. Complete the Form of Proxy.
 4. It is strongly advised that you insert "Chair of the Meeting" as your proxyholder.
 5. Enter your votes to the resolutions.
 6. Return the filled in Form of Proxy to SLC Registrars either
 - (i) by post to PO Box 5222, Lancing BN99 9FG;
 - (ii) (during normal business hours only) by hand to Elder House, St Georges Business Park, Brooklands Road, Weybridge, Surrey, KT13-0TS; or
 - (iii) by scanning a signed copy and emailing to proxy@slcregistrars.com

Q: When do I need to send in my Form of Proxy?

A: To be valid, completed and signed Forms of Proxy must be received no later than 2pm BST on Friday, 11 June 2021.

Q: What if my Form of Proxy is not completed, signed, or received by 2pm BST on Friday, 11 June 2021.

A: It will not be counted.

Q: Can I just leave my votes blank and let the Chair of the Meeting vote for me?

A: Preferably, please fill out the votes. Unless otherwise instructed, if you appoint the Chair of the Meeting as your proxy but do not complete the instructions on how to vote, the Chair can vote as he or she chooses (or can decide not to vote at all) in relation to any business of the meeting.

Q: Why is Iconic Labs holding this GM?

A: To increase the share authorities in place at the corporate level. This will allow the company to issue more shares than it currently can.

Q: Why does Iconic Labs need more share authorities?

A: Iconic Labs has two financing agreements in place with European High Growth Opportunities Securitization Fund (“EHGO”): (i) a 2019 Issuance Agreement; and (ii) an Amended 2020 Issuance Agreement (together, the “*Financing Agreements*”).

These Financing Agreements are in the form of convertible notes with warrants attached, meaning that EHGO sent funds in the past to Iconic Labs and now EHGO holds Iconic Labs convertible notes and warrants.

These instruments allow Iconic Labs to repay EHGO in new shares once EHGO converts its notes and exercises its warrants.

At present, Iconic Labs does not have sufficient shares authorities to repay EHGO in new shares. As such, Iconic Labs is asking the shareholders to approve resolutions that will increase the share authorities so that it can meet its obligations to EHGO under the Financing Agreements.

Q: Am I being asked to vote on increasing share authorities for the Financing Agreements at the upcoming GM?

A: Yes. Ordinary Resolution 1 and Special Resolution 3 both refer to the Financing Agreements.

Q: Is an increase in share authorities for the Financing Agreements the only reason Iconic Labs is asking for an increase in share authorities?

A: No. Iconic Labs is also requesting an increase in share authorities so that it can pursue up to £5 million in a flexible facility (the “*Flexible Facility*”).

Q: Will the Flexible Facility also be with EHGO?

A: Yes.

Q: Will the Flexible Facility also be in convertible notes with warrants attached?

A: Yes.

Q: Am I being asked to vote on increasing the share authorities for this Flexible Facility at the upcoming GM?

A: Yes. Ordinary Resolution 2 and Special Resolution 4 both refer to the Flexible Facility.

Q: I have read about an additional £50 million long term financing facility. Am I being asked to vote on that during this GM?

A: No. There is no agreement in place regarding a £50 million financing facility with EHGO. Iconic Labs and EHGO are continuing discussions about this facility.

Q: Would a long-term financing facility of up to £50 million with EHGO also be in the form of convertible notes with warrants attached?

A: While this is still being negotiated, if such a facility were to be put in place, it will most likely also be in the form of convertible notes with warrants attached.

Q: Will an increase in share authorities result in my shares being diluted?

A: Increasing the share authorities will not cause dilution, because it only provides Iconic Labs with the authority to issue new shares. However, when Iconic Labs uses that new authority to issue new shares, which it will if these resolutions are approved, then, yes, there will be dilution.

Q: Why would I, as a shareholder, want more shares to be issued and dilution to occur?

A: Because by issuing more shares, even though there will be dilution, Iconic Labs will be able to acquire and grow companies so that it can create shareholder value.

The question for shareholders is whether you would prefer to:

1. Maintain the status quo by rejecting these resolutions so that you retain your larger percentage shareholding of a small Iconic Labs, while simultaneously limiting the company's ability and potential to grow and create additional shareholder value.

OR

2. Approve these resolutions, thereby increasing the share authorities and diluting your percentage shareholding of a larger Iconic Labs, while simultaneously providing the company with the tools it needs to continue to grow and create shareholder value.

Q: If the resolutions are not passed on 15 June and the share authorities are not increased, what will happen?

A: If the resolutions are not passed, such that the increase in share authorities is not approved, then:

1. The company would be unable to comply with its obligations under the existing Financing Agreements with EHGO, which may lead to such agreements being terminated by EHGO.

2. The company would be unable to obtain the Flexible Facility.
3. The company would be unable to obtain the additional £50 million long-term financing facility with EHGO.
4. The company would therefore risk being unable to fund its short-term working capital needs.
5. Consequently, the Board of Directors may be required to take advice, consider any alternative options and, if appropriate, implement restructuring action and cease near-term investment.
6. Despite the above restructuring action, the company may not be considered a 'going concern', and may not receive a clean viability statement from its auditors.
7. As a result of the above, the company could face risks which would result in a substantial loss of shareholder value.
8. Consequently, the company would be exposed to significant liquidity risks over the near, medium, and long terms in the absence of the proceeds of the existing Financing Agreements with EHGO, the Flexible Financing, and the potential £50 million long-term financing facility.
9. Without such proceeds, shareholders would risk losing all or a part of their investment in the company.

Q: Has Iconic Labs recommended the shareholders vote in any particular way?

A: Yes. The Iconic Labs Board of Directors unanimously recommends that the shareholders vote in favour of all Ordinary and Special Resolutions.

With these resolutions approved, Iconic Labs would be able to

1. Meet its obligations to EHGO under the Financing Agreements.
2. Enter into new financing facilities under the Flexible Facility.
3. Continue its discussions with EHGO regarding a long-term financing facility of up to £50 million.
4. Embark upon its plans for growth and shareholder value creation through acquisitions and development of companies.

For these reasons, the Board of Directors firmly believes that it is in the best interest of the shareholders and Iconic Labs to vote in favor of all resolutions.