

FORM 7

MONTHLY PROGRESS REPORT – July 2020

Name of Listed Issuer: High Tide Inc. (the “Issuer”)
Trading Symbol: HITI
Number of Outstanding Listed Securities: 236,380,280
Date: August 7, 2020 for the month ended July 31, 2020

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer’s obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer’s ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered, nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term “Issuer” includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. *Provide a general overview and discussion of the development of the Issuer’s business and operations over the previous month. Where the Issuer was inactive disclose this fact.*

General Overview

About High Tide Inc.

High Tide is a retail-focused cannabis company enhanced by the manufacturing and distribution of smoking accessories and cannabis lifestyle products. Its premier Canadian retail brand, Canna Cabana, spans 33 locations in Ontario, Alberta, and Saskatchewan, with additional locations under development across Canada. High Tide has been serving cannabis consumers for over a decade through its numerous lifestyle accessory enterprises including e-commerce platforms

Grasscity.com and CBDcity.com, lifestyle and licensed entertainment brand manufacturer Famous Brandz, and its distribution divisions RGR Canada and Valiant Distribution.

High Tide's strategy as a parent company is to extend and strengthen its integrated value chain, while providing a complete customer experience and maximizing shareholder value. Key industry investors in High Tide include Aphria Inc. (TSX: APHA) (NYSE: APHA) and Aurora Cannabis Inc. (NYSE: ACB) (TSX: ACB).

For more information about High Tide Inc., please visit www.hightideinc.com and its profile page on SEDAR at www.sedar.com.

Discussion of the Development of High Tide's Business and Operations during July 2020

About High Tide Inc.

At present, High Tide has 36 branded stores including 33 Canna Cabana locations (including one franchise) in Alberta, Saskatchewan, Ontario, as well as 3 KushBar locations in Alberta. The Company also has 18 development permits on hand to continue expanding across Alberta. As previously announced, the 3 operating KushBar locations and 5 of the development permits have been conditionally sold to US-based Halo Labs. High Tide is currently developing 6 retail sites in Alberta, with 1 currently under construction in a premium location in Banff. In due course, the Company will develop all permits, among other, to achieve the maximum allowable number of stores per operator in Alberta, which is currently capped at 42 by AGLC.

Going forward, Ontario is the largest and most important market for the Company. High Tide expects to acquire the Canna Cabana location in Toronto shortly, while also submitting applications to the AGCO to receive up to 7 more retail licenses throughout 2020 to achieve the current maximum of 10 stores per operator. In Manitoba, High Tide was selected via an MBL lottery to build a retail store in Niverville as well as commence online sales throughout the province. The Company is also in the final stages of clearing due diligence with the LCRB in British Columbia and intends to open the maximum of 8 allowable stores per operator. High Tide is also currently evaluating entering the Yukon and Northwest Territories to open cannabis retail stores.

As for the Company's e-commerce business, it launched CBDcity.com for US and EU-based customers in May 2020. High Tide continues to expand the Grasscity accessories portfolio and its domestic order fulfillment capabilities from the Las Vegas warehouse through Valiant Distribution. Lastly, management has decided to exit the mature and declining Smoker's Corner business so it can focus on the Company's core business lines of retail cannabis, e-commerce and the manufacturing and wholesale distribution of smoking accessories.

Management continues to review its operations and streamline processes to reduce operating expenses including changes to staffing levels, reduction in general and administrative expenses and reduction in professional fees.

HIGH TIDE ANNOUNCES VOTING RESULTS FROM ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

July 31, 2020 – High Tide Inc. announced the voting results from its Annual General and Special Meeting of Shareholders held on Thursday, July 30, 2020 in Calgary, Alberta (the "Meeting"). All nominees included in its Notice of Annual General and Special Meeting of Shareholders and

Management Information Circular dated June 19, 2020, were elected as directors of High Tide. The results of the votes were as follows:

Nominee	Votes For:		Votes Withheld:	
	Number	%	Number	%
Harkirat (“Raj”) Grover	80,666,132	99.09	740,199	0.91
Nitin Kaushal	81,354,951	99.94	51,180	0.06
Arthur Kwan	79,198,562	97.29	2,207,769	2.71
Nader Ben Aissa	81,324,151	99.94	52,180	0.06
Binyomin Posen	81,330,601	98.91	75,730	0.09

All other resolutions included in the Circular were successfully approved by shareholders at the Meeting, including but not limited to the appointment of MNP LLP as the Company’s auditor, fixing the number of directors at five and to consider the passing of other resolutions if deemed advisable, with or without variation.

HIGH TIDE RESTRUCTURES \$10.8 MILLION OF DEBT INTO AN INTEREST FREE DEBENTURE DUE IN 2025

- Extends maturity of \$10.8 million of Debt by over four years, from December 2020 to January 2025
- Bolsters financial position by removing interest on the Debt over the four-year period
- Reduces immediate debt overhang, allowing the Company to focus on growth and expansion

July 24, 2020 – High Tide Inc announced that it has successfully completed a restructuring of approximately \$10.8 million of the Company’s outstanding debt held by a key industry investor under an 8.5% senior unsecured convertible debenture issued in December 2018. Pursuant to a debt restructuring agreement dated July 23, 2020 and entered into by the Company and the Key Investor, in consideration of the Company’s agreement to pay to the Key Investor certain structured installment payments over a period of over approximately three years, beginning on November 1, 2021, the parties have agreed to amend the Original Debenture into a secured convertible debenture of the Company in the principal amount equal to the Deferred Amount. The Structured Payments, which start in November 2021, will be credited towards the Deferred Amount as a payment plan (and not as any bonus or interest to the Key Investor) and will have minimal impact on the Company’s cash flow. As part of the Debt Restructuring, the parties have also (i) extended the maturity date of the Amended Debenture to January 1, 2025, (ii) amended the conversion price such that the Deferred Amount is convertible into common shares of High Tide (“HITI Shares”) at a conversion price of \$0.425 per HITI Share, and (iii) amended the interest provisions such that the Deferred Amount will not bear any interest until maturity, with the portion of the Deferred Amount outstanding on maturity bearing interest on and from the maturity date at a rate of 8.5% per annum. The Deferred Amount represents the largest portion of the Company’s outstanding debt held by a single creditor. “This debt restructuring transaction increases High Tide’s financial flexibility and allows High Tide to focus on further building and expanding its business without an immediate debt overhang. Amid evolving market conditions, High Tide is in a strong position to continue delivering on its corporate objectives for 2020 and beyond. I am very happy to have negotiated and secured for High Tide the opportunity to achieve cashflow positive returns and deliver long-term growth to its stakeholders before repayment begins. The Company is delighted to have the support of this key industry investor, which clearly understands High Tide’s vision and is willing to forgo interest over the four-year period to help High Tide in its

expansion plan and goal of becoming the strongest Canadian cannabis retailer,” said Raj Grover, President, Chief Executive Officer and Director of High Tide. The Company’s obligations under the Amended Debenture are secured by the assets of the Company and certain of its subsidiaries (the “Debtors”) pursuant to a subordinated security interest (ranking behind the senior creditors of the Debtors) granted in favour of the Key Investor and such other persons who may from time to time become a party to the security agreement entered into by the parties in connection with the Debt Restructuring. The Company intends to actively engage with all other debt holders to follow the lead 2 of the Key Investor to extend maturities and enable the Company to continue focusing on its growth and expansion.

Wholesale Segment – RGR Canada Inc. (“RGR Canada”)

No material news to communicate regarding RGR for the month of July.

The Calgary warehouse continues to improve efficiencies and customer order fulfilment. RGR Canada continues its strong relative positioning to other wholesale competitors in the industry subsequent to the legalization of recreational cannabis for adult use in Canada on October 17, 2018.

In December 2019, the Company continued to add a significant number of new SKUs to the Company’s portfolio which now stands at approximately 6,000 SKUs. RGR Canada is reviewing products and associated accessories for the extended introduction of cannabis edibles and concentrates that began in late 2019 with the legalization of those product types into the Canadian cannabis environment.

Wholesale Segment – Famous Brandz Inc. (“Famous Brandz”)

No material news to communicate regarding Famous Brandz for the month of July.

Famous Brandz has begun the process of designing and producing a wide range of smoking accessories and cannabis lifestyle products featuring classic images of rock stars, pin-ups, sirens, horror movie characters which include but are not limited to Snoop Dogg Pounds, Cheech & Chong’s Up in Smoke, Trailer Park Boys and Guns N’ Roses, which strengthens Famous Brandz’ industry leading position in licensed product manufacturing and wholesale distribution.

As previously reported:

- In December 2019 Famous signed a royalty-based merchandising license agreement with FFFB Media, LLC to use The Fabulous Furry Freak Brothers trade marks and names, logos and artwork. The Freak Brothers License grants Famous Brandz the worldwide right and license to use, manufacture, have manufactured, advertise and sell certain types of smoking accessories via any distribution channels over a term of 2 years.
- In July 2019, Famous Brandz Inc., signed its 9th license agreement with I.P.L. for access to various categories of its large Radio Days inventory of original images featuring historical celebrities, motion pictures, music albums, comics and other popular culture artwork. The Radio Days License grants Famous Brandz the right to reproduce and sell smoking accessories, including but not limited to bongs, containers, grinders, pipes, trays and vaporizers, to specialty retailers and distributors across North America over a term of 30 months.

- The Company also renewed its license with Da' Grassy High Inc. until the end of 2021. This license is an important agreement for Famous Brandz as it has enabled the business to develop highly recognizable products that have been sold successfully on both a wholesale and retail basis around the world. Based on the success of its celebrity licenses, High Tide expects to continue entering into agreements to reproduce popular brands and likenesses in the future.
- The 2019 line of Snoop Dogg glass smoking accessories, Guns N' Roses, The Beach Bum and Hellboy licensed products continues fulfilment with distribution through its Calgary warehouse as well as the third-party fulfilment facility in the United States.

The Company continues to expand the catalogue of products that are available to the Ontario Cannabis Store ("OCS"), which has placed orders on a regular basis since entering the previously announced Master Accessories Supply Agreement on September 21, 2018.

Retail Segment – Smoker's Corner Ltd. ("Smoker's Corner")

At the end of July, we had no corporate stores in operation, with one franchisee store in Truro, Nova Scotia.

The Corporation has determined to exit this line of our business and will no longer be reporting on Smokers Corner.

Retail Segment – Canna Cabana Inc. ("Canna Cabana")

As also provided under the High Tide summary above, the following Canna Cabana details relate to the month of May and bring our Canna Cabana locations totals to 33 branded locations across Canada. Those locations are as follows: 24 Canna Cabana locations (including one franchise) in Alberta, 2 locations in Saskatchewan, 6 locations in Ontario, 1 Canna Cabana branded location in Ontario.

The Company also has 18 development permits on hand to continue expanding across Alberta. High Tide is currently developing 6 retail sites in Alberta, with 2 currently under construction including a premium location in Banff. In due course, the Company will develop all permits, among other, to achieve the maximum allowable number of stores per operator in Alberta, which is currently capped at 42 by AGLC until December 31, 2020.

Going forward, Ontario is the largest and most important market for the Company. High Tide expects to acquire the Canna Cabana location in Toronto shortly, while also submitting applications to receive up to 7 more retail licenses throughout 2020 to achieve the current AGCO maximum of 10 stores per operator. The Company is also in the final stages of clearing due diligence with the LCRB and intends to open the maximum of 8 allowable stores per operator in British Columbia. High Tide is currently evaluating entering the Yukon and Northwest Territories to open cannabis retail stores

At the retail store level, Canna Cabana employees continue to engage with customers, educating them about cannabis and smoking accessories using the Company's proprietary training program, and otherwise interacting with stakeholders as new members of the surrounding community. Educational planning for our customers in relation to edibles and recently hitting the shelves, cannabis beverages, are key focus areas for our training teams.

High Tide continues with its pioneered free recycling program in all Canna Cabana stores for all Health Canada-approved cannabis product packaging, with over 519,335 units recycled to as of the end of February 2020. The recycling program will be offered at all subsequent Canna Cabana stores opening across Canada.

As a final comment regarding the Canna Cabana retail stores, stores have been diligently working to maintain the highest possible standards of sanitation while ensuring safety measures are in place for both the customers and staff to sustain business through the Covid-19 situation

Retail Segment – KushBar Inc. (“KushBar”)

No material information to be provided for the month of July.

On February 14, 2020 High Tide Inc. announced that it entered into a binding asset purchase agreement with Halo Labs Inc, under which High Tide will sell its KushBar retail cannabis assets and the rights to 5 permitted retail cannabis stores to Halo for \$12 Million, payable in the form of 46,153,846 common shares of Halo, of which \$3.5 Million has been paid to High Tide as a non-refundable deposit, subject to certain limited circumstances. In addition, Halo has agreed to engage High Tide to substantially oversee all aspects of its retail cannabis operations with respect to the Portfolio and will pay High Tide ongoing royalties for regulatory advisory services and retail management, and a fixed fee for managing the construction of the unopened stores.

The Transaction is subject to the review and approval of Alberta Gaming, Liquor & Cannabis and is expected to close within 150 days. The Portfolio includes operating KushBar cannabis retail stores in Camrose, Morinville, and Medicine Hat, as well as permitted retail cannabis store locations in Calgary, Edmonton, Edson and Fort McMurray.

In January 2020, the Lloydminster location was closed due to its close proximity to a Canna Cabana location nearby to avoid cannibalizing sales, thereby leaving two KushBar locations in operation. The Company’s one additional KushBar location in Medicine Hat, Alberta is currently nearing completion.

As at December 31, 2019, three KushBar locations were operating in Morinville, Lloydminster and Camrose, Alberta. Earlier in the month, they became wholly-owned by High Tide subsequent to the remaining 49.9% of KushBar being acquired by the Company.

Retail Segment (Digital) – Grasscity.com (“Grasscity”) and CBDcity.com

No material information to report for the month of July. To add however, perhaps at least partially due to the Covid-19 situation, Grasscity sales through its on-line platform, have been increasing significantly,

In October 2019, the Company continued to achieve efficiencies from the June 2019 re-launch of a new Grasscity website. The re-launched Grasscity website is designed to provide its 5.8 million annual visitors a vastly improved online shopping experience.

As part of upgrading to the site the Company also improved Grasscity’s warehouse management system, which is designed to reduce processing times and error rates, thereby increase

shipments for faster delivery times to customers around the world. The completion of Grasscity's site migration also provides users with improved mobile usability.

The Company continues its integration of Grasscity, purchased in December of 2018 and based in Amsterdam. The Company's own SKUs have been integrated with Grasscity and are showing promise with online consumers. High Tide has also assisted Grasscity with the alignment of its financial reporting practices for the ongoing public disclosure of financial results.

Increasing the Company's e-commerce business, the company launched CBDcity.com for US and EU-based customers in May 2020.

2. Provide a general overview and discussion of the activities of management.

Covid-19 has become a primary consideration in the planning and daily activity of management.

Various internal teams continue with active implementation of the 2020 product planning, manufacturing and distribution program while concurrently developing and implementing new product launches and store openings. Strategic planning for High Tide in 2020 and beyond is ongoing.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

New products and licensed product lines continue to arrive as a normal course of business for RGR Canada and Famous Brandz and are allocated to Canna Cabana stores on an ongoing basis.

At Canna Cabana stores, staff integrated new smoking accessory products along with new cannabis strains and products as they became available.

The continued legalization of cannabis products like edibles, concentrates and beverages continue to be added to store inventories. The company continues its strong rollout of products and stores while continuing its focus on staff and customer education are easily coupled with High Tide's overall strategic development.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

No material products or services were discontinued in July 2020.

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

No material information to report that hasn't already been disclosed.

6. *Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.*

No material information to report.

7. *Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.*

Nothing to report.

8. *Describe the acquisition of new customers or loss of customers.*

No new material information to report.

9. *Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trademarks.*

No material information to report that hasn't already been disclosed.

10. *Report on any employee hiring's, terminations or lay-offs with details of anticipated length of lay-offs*

In July, the Company's total employee count across all entities is 323 up from 316 in June 2020. Historically, the corporation employed 282 employees in May, 233 in April, 239 in March, and 294 in February with variances primarily due to fluctuations due to the Covid -19 and opening of any new retail locations. The month of July saw 35 employee departures.

11. *Report on any labour disputes and resolutions of those disputes if applicable.*

Not applicable, as there were no labour disputes or resolutions to report during the month of July 2020.

12. *Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.*

Legal proceedings in respect to the dispute between Vaimo Benelux NV and SJV B.V. (Grasscity), a subsidiary of the Issuer, were resolved in July 2020.

13. *Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.*

In July the corporation re-financed a Niagara location's mortgage in the amount of \$1,600,000. Also, as per the summary indicated in the High Tide highlight section above, in a July 24, 2020 press release, the corporation announced they restructured approximately \$10.8 million of the Company's outstanding debt held by a key industry investor.

14. Provide details of any securities issued and options or warrants granted.

In July 2020, any High Tide issued securities, grant options and/or warrants during the month as were reported on our filed Form 9(s) as required by the CSE.

15. Provide details of any loans to or by Related Persons.

No material information to report.

16. Provide details of any changes in directors, officers or committee members.

No material information to report.

High Tide held the 2020 AGM and all Directors were voted in to continue as Directors of High Tide Inc.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

Continued mitigation the economic headwinds being caused by the COVID-19 pandemic are on the company's forefront of thought and action. High Tide continues to optimize staffing levels across the organization, working with landlords to abate or defer rent, minimizing operating expenses and delaying capital expenditures wherever possible.

In March 2020 COVID-19 has resulted in unexpected uncertainties which, at this time, make it prudent for High Tide to temporarily withdraw its previous outlook statement of becoming profitable in the 2020 fiscal year. The Company has been continuing to respond to COVID-19 with changes to internal business practices consistent with the guidelines of public health authorities. Since inception, High Tide's purpose has been to serve cannabis enthusiasts and a significant part of that commitment is ensuring the Company is putting the safety of its customers and employees first. The Company has implemented significant measures to protect the health and wellbeing of these valued groups of individuals. High Tide continues to monitor the situation closely while keeping its retail locations and wholesale facilities open, where permitted.

On March 2, 2020, the AGCO updated their online portal to allow interested parties to submit their Retail Store Authorization (RSA) application. An RSA is specific to every location and is needed to operate the store. Applications are to be processed on a first-come first-served basis. The AGCO is only releasing 20 RSAs a month starting in April 2020.

On January 6, 2020, the Alcohol and Gaming Commission of Ontario (AGCO) opened their online portal for interested parties to submit their Retail Operator License (ROL) applications. An ROL is needed to operate in Ontario and is not tied to any particular location.

In May 2019, Alberta removed the moratorium on issuing retail cannabis licences and began accepting new licence applications. This is a significant industry improvement and High Tide resumed its high rate of growth by helping satisfy the strong demand for legal cannabis products throughout Alberta. There were over about 275 licenses issued by AGLC across Alberta as of August 31, 2019, of November 6, 2019 it had increased to 321 licenses and 411 licenses as of the end of January 2020. High Tide hopes to see the other provinces mirror that progression.

On October 17, 2019 Cannabis 2.0, the legalization of cannabis concentrates and edibles, was rolled out. This continued market diversification requires evaluation of the Company's product options and an opportunity to maximize its product portfolio as the Company anticipates supply-driven expansion.

In December 2018, the Province of Ontario announced significant changes to its cannabis retail licensing system. Rather than proceeding with its previously announced framework to allow cannabis retailers who satisfy various conditions to operate up to 75 locations each, the Province conducted a lottery in early 2019 for 25 licenses and recently conducted a second lottery for 50 licenses including 8 First Nations locations, to bring the total number of retail locations to 75 in Ontario. High Tide aligned itself with 3 of the winners of the first AGCO lottery.

Certificate of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated August 7, 2020.

Raj Grover

Name of Director or Senior Officer

"Raj Grover"

Signature

President & C.E.O

Official Capacity

Issuer Details		
Name of Issuer: High Tide Inc.	For Month Ending: July 31, 2020	Date of Report: 2020/08/07
Issuer Address: #112, 11127 15 th Street NE		
City/Province/Postal Code: Calgary, Alberta T2K 2M4	Issuer Fax No.: (403) 265-4244	Issuer Telephone No.: (403) 265-4207
Contact Name: Krystal Dafoe	Contact Position: Director, Corporate Governance & Listing	Contact Telephone No.: (403) 265-4207
Contact Email Address: krystal@hightideinc.com	Web Site Address: www.hightideinc.com	