

## FORM 7

### MONTHLY PROGRESS REPORT – June 2020

Name of Listed Issuer: High Tide Inc. (the “Issuer”)  
Trading Symbol: HITI  
Number of Outstanding Listed Securities: 236,380,280  
Date: July 7, 2020 for the month ended June 30, 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 cannabis lifestyle accessories. With portfolio brands including Canna Cabana, KushBar, Grasscity.com, CBDCity.com, RGR Canada, Famous Brandz 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).

With the deregulation of recreational cannabis for adult use across Canada, Canna Cabana and its 33 branded stores is a sizeable retail business with a sophisticated yet playful customer experience. KushBar is a second retail cannabis business with 3 operating stores in Alberta, offering a modern experience aimed at the Company's growing customer base in Alberta. Based in Amsterdam since 2000, Grasscity.com is the world's preeminent and most searchable online retailer of smoking accessories and cannabis lifestyle products with approximately 5.8 million site visits annually. Launched in May 2020, CBDcity.com is the world's newest online store selling a wide variety of CBD-focused products to international consumers. Representing the core of High Tide's wholesale segment, RGR Canada is a high-quality and innovative designer, manufacturer and distributor of cannabis accessories. Famous Brandz is a dominant manufacturer of licensed lifestyle accessories, through partnerships with celebrities and entertainment companies including Snoop Dogg and Paramount Pictures. Famous Brandz' products are sold to wholesalers and retailers around the world.

For more information about High Tide Inc., please visit [www.hightideinc.com](http://www.hightideinc.com) and its profile page on SEDAR at [www.sedar.com](http://www.sedar.com).

## **Discussion of the Development of High Tide's Business and Operations during June 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 MBLR 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 to Open Canna Cabana Storefront on Bayview Avenue in Toronto**

**June 9, 2020** – High Tide Inc. announced that the Canna Cabana retail cannabis store located at 1723 Bayview Avenue in East York, Ontario opened on Saturday, June 13, 2020. Located just south of Eglinton Avenue, it will mark the seventh branded Canna Cabana location in Ontario and the Company's 36th retail cannabis store across Canada. The Bayview Store secured all necessary permits and licenses on June 8, 2020, after receiving a Retail Store Authorization from the Alcohol and Gaming Commission of Ontario on June 1, 2020, which was one of only five issued in the first week of June.

In addition, the Company will release its financial and operational results for the second quarter ended April 30, 2020 before financial markets open on June 17, 2020.

### **High Tide Announces Issuance of Interest Shares**

**June 15, 2020** – High Tide Inc. announced that the Company issued an aggregate of 1,871,343 common shares of High Tide to certain holders of unsecured convertible debentures of the Company, in satisfaction of the annual amount of interest due to the holders. The calculation of the number of Interest Shares issued was based on the volume weighted average trading price of the common shares of High Tide during the 10 trading days ending June 12, 2020. The Interest Shares are subject to a statutory hold period of four months plus one day, which will expire on October 16, 2020.

### **High Tide Reports Second Quarter 2020 Financial Results**

***Becomes the first Canadian cannabis retailer in its peer group to report positive adjusted EBITDA of \$1.9M***

**June 17, 2020** – High Tide Inc. reported its financial and operating results for the second quarter of fiscal 2020 ending April 30, 2020.

*Second Quarter 2020 – Financial Highlights:*

- Revenue for the three months ended April 30, 2020 increased by 197%, to \$19.57 million from \$6.60 million for the same quarter last year.
- Gross profit for the three months ended April 30, 2020 increased by 214%, to \$7.39 million from \$2.35 million for the same quarter last year.
- Gross profit margin for the three months ended April 30, 2020 increased to 38% from 36% for the same quarter last year.
- Adjusted EBITDA<sup>(1)</sup> for the three months ended April 30, 2020 increased by 156%, to \$1.94 million from an Adjusted EBITDA loss of (\$3.49 million) for the same quarter last year.
- Cash and cash equivalents as at April 30, 2020 increased to \$7.04 million from \$0.81 million as at October 31, 2019.

### Second Quarter 2020 – Operational Highlights:

- The Company successfully acquired and integrated the branded Canna Cabana locations in Hamilton and Sudbury.
- The Company further developed its Saskatchewan retail presence by acquiring a licensed cannabis retail location in Tisdale, Saskatchewan.
- High Tide entered into an agreement with Halo Labs to sell its KushBar assets for \$12 million, subject to the required regulatory approvals.
- The Company opened a Canna Cabana store in the heart of downtown Edmonton, Alberta.
- Integration of the Grasscity e-commerce platform into High Tide's Las Vegas facility has resulted in continued growth of North American market share and daily transaction volume.
- Through the COVID-19 pandemic existing Canna Cabana locations have remained operational and efficient, despite the challenging conditions facing retail across the country.
- As of the date of this news release approximately 47,000 members have joined Cabana Club, with 55% of our average daily transactions conducted by Club members.
- To date, the Company's portfolio includes a total of 36 branded retail cannabis locations in Ontario, Alberta, and Saskatchewan.

### Subsequent Events:

- The Company opened a KushBar store in Medicine Hat, Alberta.
- The Company opened four new Canna Cabana retail locations in Ontario: Niagara Falls, Toronto – Parliament, Burlington, and Toronto – Bayview Avenue, bringing the current total to 7 Ontario stores and achieving 9% provincial market share by location as of June 9, 2020.

### Selected financial information for the three and six months ended April 30, 2020:

(Expressed in thousands of Canadian Dollars)

	Three Months Ended April 30,			Six Months Ended April 30,		
	2020 \$	2019 \$	% Change	2020 \$	2019 \$	% Change
Revenue	19,572	6,596	197%	33,231	11,596	187%
Gross Profit	7,388	2,351	214%	12,165	4,140	194%
Total Operating Expenses	7,331	6,702	9%	14,051	13,352	5%
Adjusted EBITDA <sup>(a)</sup>	1,935	(3,486)	156%	1,385	(6,823)	120%
Income (Loss) from Operations	57	(4,351)	101%	(1,886)	(9,212)	(80%)
Net Loss	(5,046)	(3,319)	52%	(8,898)	(7,140)	25%
Loss Per Share (Basic)	(0.02)	(0.02)	-	(0.04)	(0.04)	-
Loss Per Share (Diluted)	(0.02)	(0.02)	-	(0.04)	(0.04)	-

<sup>(a)</sup> Adjusted EBITDA is a non-IFRS financial measure.

The following is a reconciliation of Adjusted EBITDA to Net Loss:

	Three Months Ended April 30,		Six Months Ended April 30,	
	2020	2019	2020	2019
Net Loss	(5,046)	(3,319)	(8,898)	(7,140)
Income taxes	95	(1,166)	10	(2,396)
Accretion and interest	2,631	231	4,446	337
Depreciation and amortization	1,807	275	3,173	461
<b>EBITDA</b> <sup>(1, 2)</sup>	<b>(513)</b>	<b>(3,979)</b>	<b>(1,269)</b>	<b>(8,738)</b>
Foreign exchange	(17)	(39)	(21)	36
Transaction and acquisition costs	173	-	795	142
Revaluation of derivative liability	125	-	(314)	-
Loss on extinguishment of debenture	186	-	186	-
Impairment loss	247	-	247	-
Share-based compensation	71	590	98	1,822
Revaluation of marketable securities	477	-	477	-
Loss on sale of marketable securities	1,186	-	1,186	-
Discount on accounts receivable	-	(58)	-	(82)
Gain on disposal of property and equipment	-	-	-	(3)
<b>Adjusted EBITDA</b> <sup>(1, 2)</sup>	<b>1,935</b>	<b>(3,486)</b>	<b>1,385</b>	<b>(6,823)</b>

<sup>(1)</sup> Earnings before interest, taxes, depreciation, and amortization (“EBITDA”) and Adjusted EBITDA. These measures do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. Non-IFRS measures provide investors with a supplemental measure of the Company’s operating performance and therefore highlight trends in Company’s core business that may not otherwise be apparent when relying solely on IFRS measures. Management uses non-IFRS measures in measuring the financial performance of the Company.

<sup>(2)</sup> Financial information for 2019 has not been restated for the adoption of IFRS 16. For the three months ended April 30, 2020, the Company made \$1,170 in lease payments. For the six months ended April 30, 2020, the Company made \$2,139 in lease payments.

### Outlook

High Tide remains focused on the fundamentals of profitable retail, while continuing to leverage cannabis and its related accessories through the Company’s manufacturing and e-commerce portfolio. High Tide’s diverse mix of consumer channels provides access to layered insights and context unavailable to competitors, providing the Company with an advantage in understanding the development of North American and global cannabis user preferences in real time.

The Company believes that the senior secured credit facility advanced by Windsor Capital, the proceeds from the sale of the common shares of Halo Labs, and achieving positive cash flow from operations has positioned High Tide to execute on its strategic growth objectives in 2020. The Company is well positioned and funded to further its expansion in Ontario, as Canada’s largest and most underserved market.

## **Wholesale Segment – RGR Canada**

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

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.

The Company continues to add significant volumes of new SKUs to the Company's portfolio which now stands at over 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**

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

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 – Canna Cabana**

As also provided under the High Tide summary above, the following Canna Cabana details relate to the month of June 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, 7 locations in Ontario including 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**

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

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 – Grasscity.com and CBDcity.com**

No material information to report for the month of June.

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. Currently, perhaps at least partially due to the Covid-19 situation, Grasscity sales through its on-line platform, have increased significantly.

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.

In May 2020, the Company launched CBDcity.com which is to become a direct to consumer e-commerce website for hemp-derived CBD products in the US. CBDcity.com aims to leverage the Grasscity infrastructure to launch nationwide distribution of third-party produced CBD products that are permitted under the US 2018 Farm Bill.

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 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 June 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 June, the Company's total employee count across all entities is 316 most, in part, as we open new retail stores, up from 282 in May, 233 in April, 239 in March, and 294 in February fluctuations due to the Covid -19 challenges. The month of June saw 10 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 June 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.*

During the month of October 2019, the Company became a party to an action where Vaimo Benelux NV initiated proceedings before the court of Antwerp in Belgium against SJV B.V (Grasscity), claiming payment of unpaid invoices based upon an agreement between the parties. Under this agreement, Vaimo is held to render implementation IT services to SJV. SJV stance is that services that were defined and under contract were not met. The writ of summons is set up as a debt collection. This action continues in June 2020.

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

Nothing to report at this time.

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

In June 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.

*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 July 7, 2020.

**Raj Grover**

Name of Director or Senior Officer

**"Raj Grover"**

Signature

**President & C.E.O**

Official Capacity

<b>Issuer Details</b>		
Name of Issuer: High Tide Inc.	For Month Ending: June 30, 2020	Date of Report: 2020/07/07
Issuer Address: #112, 11127 15 <sup>th</sup> 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 of Corporate Governance & Listings	Contact Telephone No.: (403) 265-4207
Contact Email Address: krystal@hightideinc.com	Web Site Address: www.hightideinc.com	