



FOR IMMEDIATE RELEASE

## **Inner Spirit Holdings Opens Additional Spiritleaf Stores in Ontario and Newfoundland and Labrador to Achieve 60-Store Milestone Across the Country**

*Canada's premium retail cannabis brand has over 100 locations secured from coast to coast*

**CALGARY, Alberta (October 5, 2020)** – Inner Spirit Holdings Ltd. ("**Inner Spirit**" or the "**Company**") (CSE:ISH), a Canadian company that has established a national network of Spiritleaf retail cannabis stores, today announced the continued expansion of its network with Spiritleaf franchised store openings in Ontario and in Newfoundland and Labrador. The Company celebrated the opening of its 59<sup>th</sup> and 60<sup>th</sup> Spiritleaf locations over the weekend with stores in the Parkdale community on the west side of Toronto and in the Goulds neighbourhood just southeast of St. John's.

"We are very pleased to continue the expansion of the Spiritleaf brand and to reach the 60-store milestone as Canada's leading recreational cannabis retail store network. Two years into legalization, the Spiritleaf retail experience across the country is vibrant with Spiritleaf serving a record number of guests in September and now boasting over 125,000 members in its Collective customer benefits program. We will continue to do our part to educate and bring the benefits of legal recreational cannabis to more communities and customers through our stores," said Darren Bondar, President and CEO of Inner Spirit.

The interest in Spiritleaf franchises continues to remain strong across the country. Additional store locations in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, and Newfoundland and Labrador have all been secured and would bring the Company to over 100 Spiritleaf locations which are expected to open through 2021. This targeted growth includes the anticipated doubling of Spiritleaf corporate stores from 11 to 22 through the planned opening of corporate stores in Alberta, Saskatchewan, Manitoba and Ontario by the end of 2021.

In Alberta, the Company has enjoyed great success and is the top retailer in terms of licensed stores in the province. A licence cap in place for Alberta which limits any single business entity from exceeding 15% of the overall market is being removed as of November 1, 2020. It's expected this will open up further growth opportunities for Spiritleaf locations. In Manitoba, the Liquor, Gaming and Cannabis Authority of Manitoba has issued the Company a conditional license for a location on McPhillips Street in Winnipeg with additional franchise and corporate stores under development in the province.

The Company also announced it has changed its auditors from MNP LLP ("**Former Auditor**") to BDO Canada LLP ("**Successor Auditor**") effective October 2, 2020. At the request of the Company, the Former Auditor resigned as the auditor of the Company and the Board of Directors appointed the Successor Auditor as the Company's auditor. There were no modified opinions in the Former Auditor's reports on the Company's financial statements for the two most recently completed financial years ended December 31, 2019 and 2018. There are no "reportable events" (as the term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations* ("**NI 51-102**")) between the Company and the Former Auditor. In accordance with NI 51-102, the notice of change of auditor, together with the required letters from the Former Auditor and the Successor Auditor, are filed on SEDAR. The Company and the Board of Directors extend their appreciation to MNP LLP for their auditing services to date.

Due to the ongoing COVID-19 pandemic, Spiritleaf stores are operating with enhanced customer service processes to ensure the safety of employees and customers. Spiritleaf's Select & Collect service enables customers to pre-shop and order online prior to pick-up in store. Customers can also connect with their local Spiritleaf store through the Collective program to further streamline and individualize their shopping experience.



## **About Inner Spirit**

Inner Spirit Holdings Ltd. (CSE:ISH) is a franchisor and operator of Spiritleaf recreational cannabis stores across Canada. The Spiritleaf network includes franchised and corporate locations, all operated with an entrepreneurial spirit and with the goal of creating deep and lasting ties within local communities. Spiritleaf aims to be the most knowledgeable and trusted source of recreational cannabis by offering a premium consumer experience and quality curated cannabis products. The Company is led by passionate advocates for cannabis who have years of retail, franchise and consumer marketing experience. Spiritleaf holds a Franchisees' Choice Designation from the Canadian Franchise Association for its award-winning national support centre. The Company's key industry partners and investors include Auxly Cannabis Group Inc. (TSX.V:XLY), HEXO Corp (TSX:HEXO), Tilray, Inc. (NASDAQ:TLRY) and Prairie Merchant Corporation. Learn more at [www.innerspiritholdings.com](http://www.innerspiritholdings.com) and [www.spiritleaf.ca](http://www.spiritleaf.ca).

## **Forward-Looking Information**

This news release contains statements and information that, to the extent that they are not historical fact, may constitute "forward-looking information" within the meaning of applicable securities legislation. Forward-looking information is typically, but not always, identified by the use of words such as "would", "expected", "anticipated", "planned" and "will" and similar words, including negatives thereof, or other similar expressions concerning matters that are not historical facts. Forward-looking information in this news release includes, but is not limited to, statements regarding: additional secured store locations bringing the Company to over 100 Spiritleaf locations which are expected to open through 2021; the anticipated doubling of Spiritleaf corporate stores from 11 to 22 through the planned opening of corporate stores in Alberta, Saskatchewan, Manitoba and Ontario by the end of 2021; and the licence cap in place for Alberta being removed as of November 1, 2020, and the expectation that same will open up further growth opportunities for Spiritleaf locations. Such forward-looking information is based on various assumptions and factors that may prove to be incorrect, including, but not limited to, factors and assumptions with respect to: the ability of the Company to successfully implement its strategic plans and initiatives and whether such strategic plans and initiatives will yield the expected benefits; Alberta Gaming, Liquor and Cannabis ("AGLC") removing the licence cap in Alberta as of November 1, 2020; and the receipt by the Company and its franchise partners of necessary licences from regulatory authorities, and the timing thereof. Although the Company believes that the assumptions and factors on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because the Company can give no assurance that it will prove to be correct or that any of the events anticipated by such forward-looking information will transpire or occur, or if any of them do so, what benefits the Company will derive therefrom. Actual results could differ materially from those currently anticipated due to a number of factors and risks including, but not limited to: the risk that the Company and its franchisees do not receive the necessary retail cannabis licences or that they are not able to open additional retail cannabis stores as anticipated or at all; the risk that AGLC does not remove the licence cap in Alberta as anticipated or at all; the ability of management to execute its business strategy, objectives and plans; the availability of capital to fund the build-out and opening of corporate and franchised retail cannabis stores; and the impact of general economic conditions and the COVID-19 pandemic in Canada. The forward-looking information included in this news release is made as of the date of this news release and the Company does not undertake an obligation to publicly update such forward-looking information to reflect new information, subsequent events or otherwise, unless required by applicable securities legislation.

## **For further information**

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