



FOR IMMEDIATE RELEASE

Inner Spirit Holdings Opens Additional Spiritleaf Stores in Alberta and Ontario and Surpasses Million Customers Served Milestone in July

Spiritleaf providing premium retail cannabis experience from 58 stores across Canada with more than 30 additional store locations under development

CALGARY, Alberta (August 6, 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 additional Spiritleaf store openings and the continued expansion of its retail cannabis store network in Alberta and Ontario. The Company also announced it has surpassed the one million customers served milestone for 2020 during the month of July. It recorded its highest-ever monthly customer count in July as well with 205,000 guests served.

“We’re very pleased to continue our expansion of the Spiritleaf brand into additional communities. We have aggressive growth plans and we’re staying focused on adding outlets to serve more Canadians. We have numerous franchise partners either working through licensing or constructing their stores at this time. Our franchise model is extremely effective as we partner with local entrepreneurs and enable them to invest their capital, share their passion and knowledge of cannabis with customers, and contribute to the success of the Spiritleaf brand. We’re proud of every single customer we’ve served this year as that reflects the care and the attention we bring to the shopping experience at our stores for new visitors as well as our loyal repeat customers,” said Darren Bondar, President and CEO of Inner Spirit.

The Company celebrated the opening of its 55th Spiritleaf location on July 24 with a franchised store in Calgary, Alberta’s Southland community located at the Brick Plaza on Macleod Trail. The Company has a franchise location in Fish Creek Village in Calgary fully built and awaiting final licensing and has conditionally secured five additional franchise locations in Calgary and two additional corporate store locations in Edmonton in anticipation of the Alberta Gaming, Liquor & Cannabis (the “**AGLC**”) increasing the licensing cap to over 45 permitted stores per operator this fall.

In Ontario, Spiritleaf franchised stores opened in the suburban community of Stittsville near Ottawa on July 25 and in London’s Masonville neighbourhood on July 27. A corporate-owned store in Nepean just south of Ottawa opened on July 29 bringing the total number of Spiritleaf stores operating to 58. These stores follow on Spiritleaf stores in Toronto, Ottawa, Guelph and Kingston. In total, the Company has nine Spiritleaf stores serving customers in Canada’s most populous province and an additional 17 locations under various phases of development.

Additional store locations have been conditionally secured in British Columbia, Saskatchewan, Manitoba, and Newfoundland and Labrador helping to solidify Spiritleaf as Canada’s only coast-to-coast retailer. Please visit www.spiritleaf.ca for information on store opening times and operating hours.

Due to the COVID-19 pandemic, all 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. Customers can also connect with their local Spiritleaf store through the Spiritleaf Collective customer benefits program to further streamline and individualize the shopping experience. The fast-growing Collective program now has over 85,000 members.

To acknowledge the support from these members, the Company has been running a virtual Spirit Bus Tour across Canada this summer to spread peace, love and harmony. The tour is making “stops” at each Spiritleaf store where Spiritleaf Collective members can access exclusive promotions and special edition festival swag. Bus tickets are available in-store or by email or text for Collective members and no purchase is required. Please visit www.spiritbustour.ca for tour dates and details.



An updated version of the Company's investor presentation as well as a video interview with CEO Darren Bondar on BNN Bloomberg have been added to www.innerspiritholdings.com/invest/. The Company expects to file its Financial Statements and Management's Discussion and Analysis for the quarter ended June 30, 2020 on or about August 24, 2020.

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 and 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 "anticipation", "expects" 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: the anticipation that the AGLC will increase the retail cannabis licensing cap to over 45 permitted stores per operator this fall; projected store opportunities in other provinces, including in Manitoba; and the expectation by the Company that it will file its Financial Statements and Management's Discussion and Analysis for the quarter ended June 30, 2020 on or about August 24, 2020. 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; 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 the AGLC does not increase the licensing cap to over 45 permitted stores per operator this fall or at all; the ability of management to execute its business strategy, objectives and plans; 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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