



FOR IMMEDIATE RELEASE

## Inner Spirit Holdings Announces Mailing of Information Circular for Special Meeting of Shareholders

**CALGARY, Alberta (June 17, 2021)** – Inner Spirit Holdings Ltd. (“**Inner Spirit**” or the “**Company**”) (CSE:ISH) (OTCQB:INSHF), a Canadian company that has established a national network of Spiritleaf retail cannabis stores, today announced it has mailed a management information circular (the “**Information Circular**”) and related proxy materials for the special meeting (the “**Meeting**”) of Inner Spirit shareholders (“**Shareholders**”) to be held on July 14, 2021. The Meeting is being held to obtain Shareholder approval of the previously announced plan of arrangement (the “**Arrangement**”) with Sundial Growers Inc. (“**Sundial**”), pursuant to which Sundial will acquire all of the outstanding common shares of Inner Spirit (“**Inner Spirit Shares**”).

### *The Arrangement*

Under the terms of the Arrangement, Shareholders will receive, in exchange for each Inner Spirit Share, (i) \$0.30 in cash and (ii) 0.0835 of a common share of Sundial (“**Sundial Share**”), representing \$0.09 per Inner Spirit Share based on the 10-day volume weighted average price (“**VWAP**”) of the Sundial Shares on the Nasdaq Capital Market on May 4, 2021 (collectively, the “**Arrangement Consideration**”).

Details on how the stock options, common share purchase warrants and convertible debentures of the Company are being handled in connection with the Arrangement are included in the Information Circular.

### *Benefits of the Arrangement to Shareholders*

- **Attractive Premium** – The Arrangement Consideration offered to the Shareholders under the Arrangement represents a 54.8% premium to the 10-day VWAP of Inner Spirit Shares on the Canadian Securities Exchange (“**CSE**”) and a premium of 62.5% to the closing price of Inner Spirit Shares on the CSE on May 4, 2021, the last trading day prior to the announcement of the Arrangement.
- **Certainty of Value and Immediate Liquidity** – The cash to be received by Shareholders pursuant to the Arrangement provides Shareholders with certainty of value and immediate liquidity, and removes the risks associated with the continued ownership of Inner Spirit Shares.
- **Participation by Shareholders in Future Growth of the Combined Company** – In addition to \$0.30 in cash per Inner Spirit Share, Shareholders will also receive 0.0835 of a Sundial Share for each Inner Spirit Share under the Arrangement, and will have the opportunity to participate in any future increase in the value of Sundial, including from Inner Spirit’s business.

Additional information related to the benefits and related risks of the Arrangement are contained in the Information Circular.

### *Board Recommendation*

The board of directors of Inner Spirit (the “**Board**”), acting on the unanimous recommendation of a special committee of the Board and after receiving legal and financial advice, unanimously determined the Arrangement is fair to the Shareholders and is in the best interests of the Company, and recommends that Shareholders vote in favour of the Arrangement. Echelon Wealth Partners Inc. provided the Board with an opinion dated May 4, 2021 to the effect that, as of the date of such opinion, the consideration to be received by Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Shareholders, based upon and subject to the assumptions, limitations and qualifications set forth in the opinion.



### *The Meeting*

The Meeting is scheduled to be held on July 14, 2021 at 10:00 am (Calgary time) at the offices of Burstall LLP, located at Suite 1600, 333 – 7<sup>th</sup> Avenue SW in Calgary, Alberta. In order to protect the health and safety of Shareholders and the broader community, only registered Shareholders or their duly appointed proxy holders will be permitted to attend the Meeting. Inner Spirit strongly encourages Shareholders to vote by proxy in advance of the Meeting and not to attend the Meeting in person. The Information Circular provides important instructions that must be followed in order to attend the Meeting.

Your vote is important regardless of the number of Inner Spirit Shares you own. All Shareholders are encouraged to vote their proxies before 10:00 am (Calgary time) on July 12, 2021.

### **About Inner Spirit**

Inner Spirit Holdings Ltd. (CSE:ISH) (OTCQB:INSHF) is a retailer and franchisor of Spiritleaf recreational cannabis stores across Canada. The Spiritleaf network includes 94 franchised and corporate-owned 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 has been recognized with a Franchisees' Choice Designation from the Canadian Franchise Association for its award-winning support centre for two consecutive years, a MarCom Platinum Award for marketing excellence, and a Hermes Gold Award for its creative customer benefits program. 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 “will”, “to be”, “expect” 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 Arrangement; the Arrangement Consideration to be received by Shareholders under the Arrangement; and the benefits of the Arrangement to Shareholders.

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 that such strategic plans and initiatives will yield the expected benefits; the Arrangement being completed on the timelines and on the terms currently anticipated; all necessary shareholder, court and regulatory approvals being obtained on the timelines and in the manner currently anticipated; and the anticipated benefits of the Arrangement.

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: conditions in the cannabis industry; the risk that the Arrangement is not completed as anticipated or at all, including the timing thereof, and if completed, that the benefits thereof will not be as anticipated; the risk that necessary shareholder, court or regulatory approvals are not obtained as anticipated or at all, and the timing thereof; the risk that the conditions to closing of the



Arrangement are not satisfied or waived; risks associated with general economic conditions; adverse industry events; future legislative, tax and regulatory developments, including developments that may impact the closing of the Arrangement as anticipated or at all; the ability of management to execute its business strategy, objectives and plans; the impact of general economic conditions and the COVID-19 pandemic in Canada; and the factors and risks identified in the Information Circular and the documents incorporated by reference therein.

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, except as required by applicable law.

**For further information**

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