



FOR IMMEDIATE RELEASE

Inner Spirit Holdings Announces Frank Rochon as New Director and Highlights Continued Expansion of Spiritleaf Stores

Spiritleaf now providing premium retail cannabis experience from 54 stores in communities coast to coast with four additional stores set to open this month and over 30 more under development.

CALGARY, Alberta (July 14, 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 that Frank Rochon has joined the Company’s Board of Directors. The Company also provided updates on store openings and the continued expansion of the Spiritleaf retail cannabis store network.

NEW DIRECTOR

Mr. Rochon was previously Vice Chairman and Managing Partner with Deloitte. In addition, he was a member of Deloitte’s executive leadership team for over 20 years in various capacities including Regional Managing Partner roles and as Deloitte Canada M&A Executive Leader. Mr. Rochon was also a member of Deloitte’s Global Executive leadership for over 8 years. During his 30-year professional career, he served many of Canada’s most iconic and emerging companies and was widely sought for his trusted counsel and experience. Mr. Rochon is recognized for his strong financial expertise, governance, market and operational executive leadership. He has been extensively involved in board leadership capacities for numerous large national not-for-profit organizations and foundations.

Mr. Rochon, who is expected to become a member of the Company’s Board audit committee, joins a strong and experienced group of Directors on Inner Spirit’s Board. Recent additions this year include Andrew MacMillan, an executive with Auxly Cannabis Group Inc.; Manjit Minhas, co-founder and CEO of Minhas Breweries, Distilleries and Wineries; and Russell Wilson, an executive with Prairie Merchant Corporation.

“We are building a board with deep expertise and a real passion for the cannabis market to support the Company’s expansion strategy in our pursuit of becoming Canada’s most iconic cannabis retailer while educating consumers on the safe and legal way to consume cannabis. Frank brings vast experience and his involvement can provide meaningful insights for the Company in a number of functions to make us a smarter, more agile and better organization,” said Darren Bondar, President and CEO of Inner Spirit.

CONTINUED EXPANSION OF SPIRITLEAF STORE NETWORK

In Alberta, the Company celebrated the opening of its 54th Spiritleaf store conveniently located in Red Deer’s Gasoline Alley on Highway 2, the province’s busiest and longest highway, on July 9. An additional franchise store in Calgary’s Southland community located at the Brick Plaza on Macleod Trail is expected to open on July 20 and a franchise location in Fish Creek Village is now fully built and awaiting final licensing. The Company has also 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 later this fall.

In Ontario, the Company announced that two franchised stores and a corporate-owned store have secured Retail Store Authorizations from the Alcohol and Gaming Commission of Ontario to begin operations. Franchise stores will be opening in the suburban community of Stittsville near Ottawa on July 18 and in London’s Masonville neighbourhood on July 27. The corporate-owned store in Nepean just south of Ottawa is expected to open on July 27 bringing the total number of stores expected to be operating by the end of July to 58.



These stores follow on recent Spiritleaf store openings in Toronto, Ottawa and Guelph as well as the acquisition of the Spiritleaf store in Kingston that previously operated under a licensing agreement with one of the province's lottery winners. By the end of July, the Company anticipates having nine Spiritleaf stores serving customers in Canada's most populous province with an additional 16 locations under various phases of development.

Please visit www.spiritleaf.ca for additional information and details on opening times as well as store operating hours.

"We're excited to continue our expansion of the Spiritleaf brand into additional communities across the country. We have aggressive growth plans and we're staying focused on adding stores to serve local communities in the provinces where we currently operate. We have numerous franchise partners either working through licensing or constructing their stores to prepare for operations. Our franchise model is extremely effective as we're able to partner with passionate local entrepreneurs and enable them to invest their capital, share their passion and knowledge of cannabis with their local communities, and contribute to the overall success of the Spiritleaf brand," said Bondar.

CORPORATE UPDATES

The Spiritleaf retail cannabis store network now includes 54 franchised and corporate-owned stores operating in Alberta, British Columbia, Saskatchewan, Ontario, and Newfoundland and Labrador. Due to the 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. Customers can also connect with their local Spiritleaf store through The Collective customer benefits program to further streamline and individualize the shopping experience and now has over 57,000 members.

The Company also announced that Mr. Bondar filed reports this month on the System for Electronic Disclosure by Insiders regarding the sale of an aggregate of 1,500,000 common shares on July 6 and 8, at market prices, partly to other significant shareholders and affiliates. An additional 2,145,000 common shares are scheduled to be sold by Mr. Bondar through a private transaction in early August (the "**August Transaction**"). The transactions are conducted in the ordinary course of business as part of Mr. Bondar's financial and tax planning program. He retains 12,186,000 common shares (10,041,000 common shares following the August Transaction) and 2,125,000 stock options and remains the largest individual shareholder of Inner Spirit.

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 "expected", "anticipation", "anticipates", "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: Frank Rochon becoming a member of the Company's Board audit committee; the anticipated



store openings in Alberta and Ontario and the timing thereof; the anticipation that the AGLC will increase the retail cannabis licensing cap to over 45 permitted stores per operator later this fall; the anticipated number of Spiritleaf stores in Ontario by the end of July; projected store opportunities in other provinces, including in Manitoba; and the completion of the August Transaction. 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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