



FOR IMMEDIATE RELEASE

Inner Spirit Holdings Announces Retail Operator Licences for Franchise Partners in Ontario, Expansion Plans for Manitoba Market and Provides Corporate Updates

Canada's largest recreational cannabis retailer continues national expansion for Spiritleaf stores

CALGARY, Alberta (May 27, 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 Retail Operator Licences (“**ROLS**”) have been secured for a number of franchise partners who now meet Ontario’s eligibility criteria for operating cannabis outlets in the province. The ROLs were granted by the Alcohol and Gaming Commission of Ontario (“**AGCO**”) as part of the regulator’s plan to expand the number of legal cannabis retail stores in the province. Earlier this month, the Company announced it had secured a ROL for corporate-owned Spiritleaf retail cannabis stores in Ontario. The next step in the approval process for Spiritleaf franchised and corporate-owned stores is to secure Retail Store Authorizations (“**RSAs**”) prior to beginning operations with more than 20 potential locations under various stages of development and completion.

With the recent announcement by the Manitoba Government that its cannabis retail application process will be open to all prospective retailers starting June 1, 2020, the Company announced it intends to apply for an Age-Restricted License with Manitoba Liquor & Lotteries to operate a stand-alone corporate store in Winnipeg and will resume franchise sales activity in the province for both Spiritleaf stand-alone stores and store-in-store operations under the controlled-access licence category. The Manitoba Government noted the move will enable local entrepreneurs to create jobs and support Manitoba’s economy in the wake of COVID-19. Inner Spirit is pleased to have the opportunity to invest in the province and provide retail store ownership opportunities to local entrepreneurs by providing a turn-key operation which leverages the benefits of its coast-to-coast expertise in cannabis retail including store design, training, the proprietary SpiritHub education program, industry leading point of sale and accounting systems, standard operating procedures, as well as ongoing support from the award-winning Spiritleaf support centre.

“With our first Ontario stores expected to open in the near future as well as additional locations projected to open across Canada through the rest of 2020, we are well positioned to expand our footprint using the same dedication, customer focus and product portfolio we’ve brought to our existing markets in the country,” said Darren Bondar, President and CEO of Inner Spirit.

The Company also announced the filing of the Company's interim financial statements for the quarter ended March 31, 2020 (the “**Financial Statements**”) and corresponding management’s discussion and analysis (the “**MD&A**”) is being postponed due to delays related to the COVID-19 pandemic. In response to the pandemic, securities regulatory authorities in Canada have granted a blanket exemption granting issuers an additional 45 days to complete certain regulatory filings. Inner Spirit is relying on the blanket exemption to delay the filing of the Financial Statements required by section 4.4 of National Instrument 51-102 and the filing of the MD&A required by subsection 5.1(2) of National Instrument 51-102.

The Company expects to file the Financial Statements and MD&A on or about June 30, 2020. Until such time as the Financial Statements and MD&A are filed, management and other insiders of the Company are subject to an insider trading black-out policy that reflects the principles in Section 9 of National Policy 11-207 – *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions*. Other than as disclosed herein or in previous news releases by the Company, there have been no material business developments since the date of the Company's audited annual financial statements for the year ended December 31, 2019 and corresponding management’s discussion and analysis which were filed on May 13, 2020.

Additionally, the Company noted that Spiritleaf has received a special industry designation from the Canadian Franchise Association. The Franchisees’ Choice Designation was achieved due to exceptional survey satisfaction rankings from Spiritleaf franchise partners across the country. The designation is part of the Canadian Franchise Association’s annual awards program to recognize franchising’s best and brightest organizations.



The Spiritleaf retail cannabis store network includes 48 franchised, licensed and corporate-owned stores operating in Alberta, British Columbia, Saskatchewan and Ontario. Additional store locations are expected to open in 2020 in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, and Newfoundland and Labrador. Please visit www.spiritleaf.ca for up-to-date information on store locations and operating hours. 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 their shopping experience.

About Inner Spirit

Inner Spirit Holdings Ltd. (CSE:ISH) is a franchisor and operator of 48 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. 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 "potential", "intends", "will", "expected", "projected", "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 Company intending to apply for an Age-Restricted License to operate a stand-alone corporate store in Winnipeg; the Company resuming franchise sales in Manitoba; the expected opening of the Company's first Ontario stores in the near future; additional locations opening in 2020 in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Newfoundland and Labrador; the Company expanding its footprint; and the expected filing of the Financial Statements and MD&A. 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 of necessary licences from regulatory authorities. 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, including in Ontario and Manitoba, as anticipated or at all; the ability of management to execute its business strategy, objectives and plans; the impact of general economic conditions 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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