



FOR IMMEDIATE RELEASE

## **Inner Spirit Holdings Announces Additional Strategic Investment to Fund Spiritleaf Corporate Store Expansion across Canada**

*Canada's premium retail cannabis brand raises additional funds to support further Spiritleaf store expansion in key customer markets*

**CALGARY, Alberta (September 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 a third meaningful investment by an existing institutional shareholder.

The Company has closed a private placement offering (the “**Offering**”) for aggregate gross proceeds of \$720,000, issuing 6,000,000 common shares of the Company (the “**Common Shares**”) at \$0.12 per share to a UK-based independent private equity firm. The Common Shares are subject to a four-month hold period in accordance with applicable securities laws. This is the third private placement financing completed with the UK-based firm, which now holds 9.7% of the issued and outstanding Common Shares, bringing the firm’s total investment in the Company to \$2.4 million.

“We appreciate the continued support from a strong and committed institutional partner and we’re pleased with our financial position as we have more than \$4.5 million in cash on hand to fuel an expansion that includes adding corporate stores in key markets. The 58 Spiritleaf stores operating across Canada include a select group of corporate stores along with a strong base of franchised locations operated by entrepreneurs serving their local communities,” said Darren Bondar, President and CEO of Inner Spirit.

“Spiritleaf stores across the country have been recording strong operating performance as the network matures. Proceeds from today’s financing will enable us to selectively add new corporate-owned stores in targeted markets within Canada,” said Bondar. At the start of this month, the Ontario market had approximately 140 cannabis retail stores serving a population of 14.7 million residents, which points to a major market opportunity for cannabis retailers.

The Company also just completed its virtual Spirit Bus Tour across Canada over the summer which generated sales growth as well as increased average basket size purchasing by customers. The tour made stops at every Spiritleaf store where Spiritleaf Collective customer benefits program members were able to access exclusive promotions and special edition festival swag. The tour helped the fast-growing Collective program increase to more than 110,000 members.

The Spiritleaf retail cannabis store network currently includes a total of 58 stores (47 franchised and 11 corporate-owned) operating in British Columbia, Alberta, Saskatchewan, Ontario, and Newfoundland and Labrador. Please visit [www.spiritleaf.ca](http://www.spiritleaf.ca) for 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 in store. Customers can also connect with their local Spiritleaf store through the Collective program to further streamline and individualize the 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 "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: the proceeds from the Offering enabling the Company to selectively add new corporate-owned stores in targeted markets within Canada. 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 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 does not receive the necessary retail cannabis licences or that it is not able to open additional retail cannabis stores as anticipated 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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