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FOR IMMEDIATE RELEASE

Inner Spirit Holdings Closes \$11.5 Million Upsized Bought Deal Equity Financing Including Exercise in Full of Over-Allotment Option

Canada's largest single-brand cannabis retailer to use proceeds to expand Spiritleaf store network

CALGARY, Alberta (March 31, 2021) – Inner Spirit Holdings Ltd. (“**Inner Spirit**” or the “**Company**”) (CSE:ISH), a Canadian company that has established a national network of Spiritleaf cannabis retail stores, today announced it has closed its previously announced “bought deal” short form prospectus offering (the “**Offering**”) of units (“**Units**”) of the Company, including the exercise in full of the underwriters’ over-allotment option. The Offering was co-led by Echelon Wealth Partners Inc. and Cantor Fitzgerald Canada Corporation and included Acumen Capital Finance Partners (collectively, the “**Underwriters**”).

In connection with the Offering, the Company issued an aggregate of 41,078,000 Units at a price of \$0.28 per Unit, for aggregate gross proceeds of \$11,501,840. Each Unit consists of one common share of the Company (each a “**Common Share**”) and one-half of a common share purchase warrant (each full warrant, a “**Warrant**”, and collectively, the “**Warrants**”). Each Warrant entitles the holder thereof to purchase one Common Share at an exercise price of \$0.34, for a period of 36 months following closing of the Offering. It is expected that the Warrants will begin trading on March 31, 2021 on the Canadian Securities Exchange (the “**CSE**”) under the symbol “ISH.WT.A”.

The Company intends to use the net proceeds of the Offering to build out additional corporate Spiritleaf retail cannabis stores in select markets and for strategic, working capital and general corporate purposes, as more particularly described in the short form prospectus of the Company dated March 26, 2021 (the “**Prospectus**”) prepared and filed in connection with the Offering.

Burstall LLP acted as legal advisors to the Company in connection with the Offering. Dentons Canada LLP acted as legal advisors to the Underwriters in connection with the Offering.

This news release does not constitute an offer to sell or a solicitation of an offer to sell any securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or any state securities laws and may not be offered or sold within the United States or to, for the account or benefit of, U.S. Persons (as such term is defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

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-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 including its Origins private label offering. 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) (NYSE:HEXO), 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 "will", "intends", "expected" 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 intended use of the net proceeds of the Offering; and the expectation that the Warrants will begin trading on the CSE on March 31, 2021. 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 receipt of all necessary regulatory and other approvals or consents; 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 retail cannabis licences, approvals and authorizations 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 there from. Actual results could differ materially from those currently anticipated due to a number of factors and risks including, but not limited to: economic factors; the risk that the Company is not able to open additional corporate Spiritleaf retail cannabis stores 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 risk factors disclosed in the Prospectus. Additional information regarding risks and uncertainties relating to the Company's business are contained under the heading "Risk Factors" in the Company's annual information form for the financial year ended December 31, 2019 dated February 12, 2021 and under the heading "Risk Factors" in the Prospectus. 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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