

CSE: ISH



Spiritleaf is Canada's Leading Cannabis Retail Network

CORPORATE PRESENTATION
SPRING 2021



WHAT WE'RE ALL ABOUT

Spiritleaf Manifesto

INNER SPIRIT HOLDINGS

5.12

Where there is smoke, there is fire. Where there is fire, there is a deep passion to share our joy and knowledge of cannabis within the communities we live. There is no one more informed, more dedicated or more willing than we are to educate, support and inspire the people and the populations we serve. We harness our collective energy to create a beloved brand because this is our labour of love.

We know where we come from and our authenticity extends from the motivation of the people who have come before us — the pioneers behind the counter-culture roots of the cannabis movement. We are anchored by our history and the practice of using the cannabis plant as a channel for creativity, tranquility, introspection and sociability. We pledge to absorb and honour our cultural traditions and continue the legacy of elevating our inner spirits.

We grow when our communities flourish, so it is our duty to cultivate deep connections with our consumers and our partners through understanding and continual engagement. We respect each individual's reason for choosing cannabis as a way of enhancing their quality of life. Social, therapeutic and spiritual journeys are all welcome here.

We know where we are going. We are trailblazers leading the charge in a brand-new industry. We believe in connecting people in a world which is deeply divided. We believe that everyone matters equally, regardless of status, age, ethnicity or creed. We aim to foster true community spirit through what we stand for, who we serve and the products we provide. We can imagine a world full of peace, love and harmony.

We are Spiritleaf.



SPIRITLEAF MANIFESTO



CANADA'S LEADING COAST-TO-COAST RETAIL CANNABIS NETWORK

Be Part Of Something Incredible



Inner Spirit Holdings has applied its very successful branding, franchise and corporate retail model to Canada's recreational cannabis industry



Spiritleaf is country's largest retailer and first to surpass 80 stores with \$105 million in annual system-wide retail sales* – expansion plans point to 100-plus Spiritleaf stores operating by year end



Spiritleaf served 2.3 million guests in 2020 and currently has 230,000 members in Collective customer benefits program

Investment Highlights



Positioned as Canada's leading retail cannabis brand deemed essential by provincial authorities during the COVID-19 pandemic. Retail sales of cannabis in Canada projected to grow from \$2.5 billion in 2020 to \$4.1 billion this year.* The U.S. market provides opportunity as well – their retail sales projected to grow from \$19.1 billion in 2020 to \$24.3 billion this year.**

*CIBC World Markets Research (April 2020)

**New Frontier Data (September 2020)



Market-leading retail experience for consumers including the proprietary Collective customer benefits program and Spiritleaf Select & Collect online shopping and in-store pick-up program. Staff passionate about sharing knowledge and educating consumers on safe use of cannabis.



Low-cost and highly scalable franchising model to maximize ROI – more than 100 franchise and corporate locations either in operation or being developed. Company has achieved positive Adjusted EBITDA* and positive cash flow from operations in Q2, Q3 and Q4 2020.

*Adjusted EBITDA is a non-IFRS financial measure. See "Non-IFRS Financial Measures" disclaimer.



Highly experienced team and proven business model with significant expertise in cannabis, branding, consumer retail, franchising and real estate. Awarded Franchisees' Choice Designation for national support centre by Canadian Franchise Association.



Proven ability to license, open and operate cannabis store locations in an efficient manner in British Columbia, Alberta, Saskatchewan, Ontario, and Newfoundland and Labrador. Currently represent almost 5% of Canada's retail cannabis store count and sales volume.



Strategic partnerships and collaborations with premium producers, industry suppliers and strategic investors to create a fully integrated business model and to access capital.

A New Growth Industry

Canadian Market Size*

2019
\$1.2 BILLION

Actual sales of cannabis
through retail outlets



2020
\$2.5 BILLION

Estimated sales of cannabis
through retail outlets



2021
\$4.1 BILLION

Estimated sales of cannabis
through retail outlets

U.S. Market Size**

2019
\$13.2 BILLION

Actual sales of cannabis
through retail outlets



2020
\$19.1 BILLION

Estimated sales of cannabis
through retail outlets



2021
\$24.3 BILLION

Estimated sales of cannabis
through retail outlets

POTENTIAL EXPANSION OPPORTUNITIES EXIST FOR FRANCHISE MODEL IN U.S. MARKET AS WELL AS INTERNATIONALLY IN MEXICO AND ISRAEL

*CIBC World Market Research (April 2020)

**New Frontier Data (September 2020)

The Inner Spirit Strategy

Build an iconic Canadian Spiritleaf brand and a network of recreational cannabis retail stores in jurisdictions where private distribution of cannabis is legal.



Utilize a low CapEx franchise model to accelerate expansion, maximize ROI, and achieve scalability and speed to market. Enables local entrepreneurs to enter the cannabis retail business and apply their capital to grow the Spiritleaf network.



Sell select premium cannabis brands together with proprietary accessories and licensed brands through the Spiritleaf retail store network and related distribution channels. Engage local communities to educate and share knowledge with consumers on the cannabis experience.



Franchising to Maximize ROI

Average unit sales of Spiritleaf stores open for full year in 2020 was \$1.8 million

Average sales to investment ratio for these stores was 360%

Over 2,500 franchise applications have been received – an average of 3 per day

Corporate Highlights

ISH FORMED

Inner Spirit Holdings Ltd. is founded in Calgary, AB on March 16, 2017.



RETAIL STORE CONCEPT UNVEILED

ISH unveils its Spiritleaf design on January 29, 2018.



INITIAL PUBLIC OFFERING COMPLETED

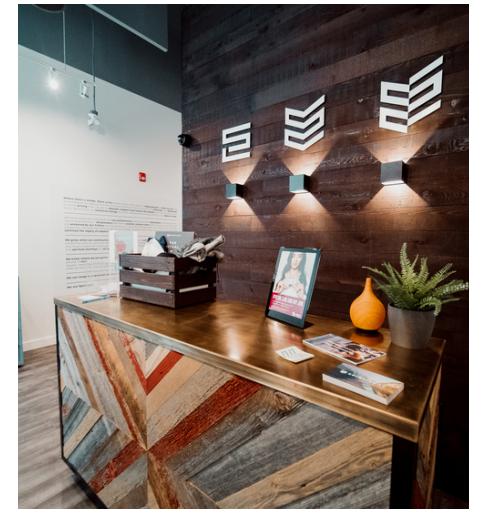
Inner Spirit is first cannabis retail and franchise company to complete an IPO and listing in Canada. IPO raises ~\$3.75 million. Common shares begin trading on the CSE under the symbol "ISH" on August 1, 2018.

CFA MEMBERSHIP GRANTED

Spiritleaf is first retail cannabis company granted membership in Canadian Franchise Association on June 16, 2017

FRANCHISE CONCEPT PROVEN

ISH awards its 100th franchise in February 2018 as it prepares for recreational cannabis legalization in Canada. Plans also established to operate complementary corporate stores in select locations.



STRATEGIC PARTNERSHIPS DELIVERED

ISH develops strategic partnerships, collaborations and investments with cannabis industry leaders such as Auxly Cannabis Group, HEXO Corp, Tilray and High Times magazine.



CORPORATE STORES ADDED TO THE MIX

Spiritleaf opens corporate stores in select larger centres to further build out its retail footprint as regulatory restrictions ease in various provinces.



NETWORK EXPANDING AT RAPID CLIP

Ontario seen as strong expansion opportunity as Province has population per cannabis retail store of 45,000. As contrast, more established Alberta market has population per store of 8,000.



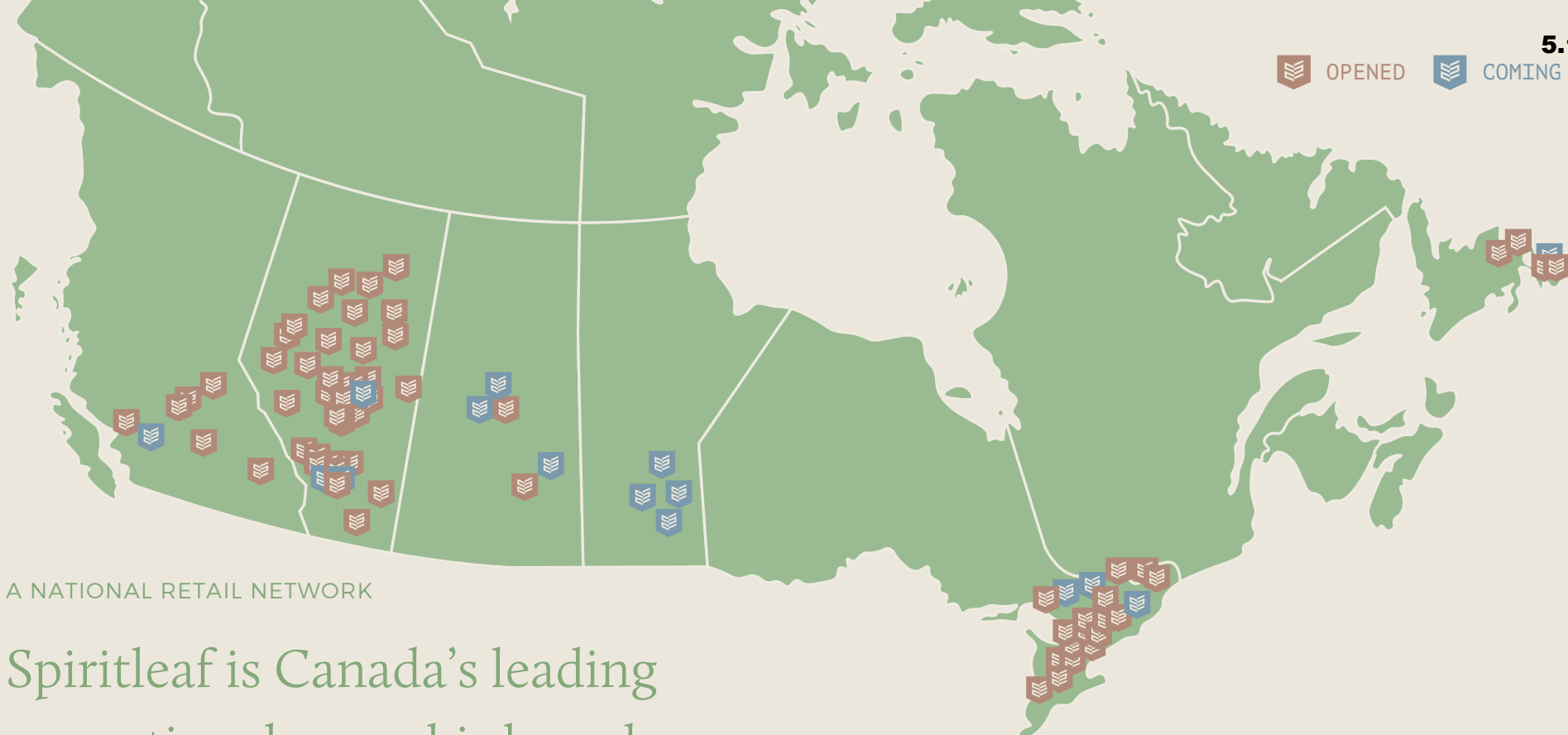
STORES BEGIN TO OPEN

ISH initially opens Spiritleaf franchised stores in Alberta and Saskatchewan. Additional stores follow in 2019 and 2020 with British Columbia, Ontario, and Newfoundland and Labrador added to the network.

FINANCINGS ACHIEVED

ISH completes multiple rounds of financings to generate capital for expansions. Funding partners include Auxly, Tilray, HEXO, Prairie Merchant and a UK-based private equity firm.





A NATIONAL RETAIL NETWORK

Spiritleaf is Canada's leading recreational cannabis brand

BRITISH COLUMBIA

- 6 stores currently open (Castlegar, Maple Ridge, Penticton, Vernon, West Kelowna and Kelowna)
- Expect to reach Province's store maximum

ALBERTA

- Currently a market leader with 40-plus retail stores
- Corporate stores in Calgary, Edmonton, Canmore, Jasper and Fort McMurray
- Additional stores expected in 2021

SASKATCHEWAN

- Franchise store in Moose Jaw and corporate store in Saskatoon
- E-commerce platform provides online sales across Province
- Province has opened up further licensing opportunities

MANITOBA

- Completed initial phase of licensing process in Province
- 4 stores in final stages of licensing (Winnipeg)

ONTARIO

- 25 stores open in Toronto, Ottawa, London, Guelph, Burlington and Hamilton with corporate stores in Ottawa, Windsor and Kingston
- Additional prime locations and leases secured
- Additional stores expected in 2021

NEWFOUNDLAND & LABRADOR

- 4 stores open in St. John's, Grand Falls-Windsor and Gander
- Master franchise agreement with Atlantic Cultivation to operate stores
- Additional stores expected in 2021

The Space

We have re-imagined the typical retail environment of a cannabis store with an open space concept.



Franchise Model

Best in class retail experience achieved with more than 100 franchise partnerships with local entrepreneurs. Company's national support centre awarded Franchisees' Choice Designation by Canadian Franchise Association.



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EAF



The Retail Brand

Spiritleaf stores offer an impressive selection of products, knowledgeable staff who are passionate about educating on cannabis use, and a welcoming and comfortable environment.



Best in Class Marketing

Spiritleaf received 2020 MarCom Platinum Award of Excellence for Spirit Bus Tour campaign. Award highlighted the campaign's creativity and sales results as the virtual bus tour visited Spiritleaf stores during the summer.



Loyal Members' Program

The Spiritleaf Collective benefits program launched initially in Alberta to fanfare and has enrolled 230,000 customers (and growing).



Expanded Shopping Alternatives

Spiritleaf Select & Collect program in place to enable customers to pre-shop and order online prior to pick-up in store, curbside or via delivery where permitted – thus maintaining physical distancing.

Extensive Product Portfolio

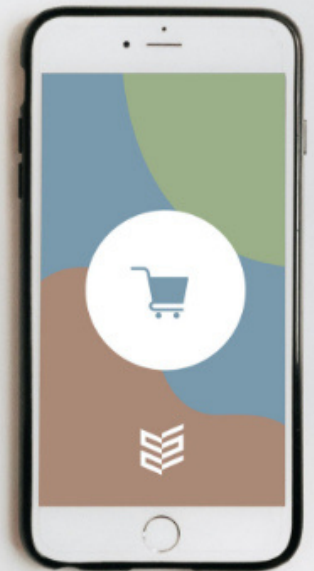
Effective execution for roll-out of Cannabis 2.0 products completed across retail store network. Expect to seize opportunities to enhance sales of such products in future. Additionally, Spiritleaf Origins private label to launch in Spring 2021.



Premium Store Experience

Ongoing attention to in-store and overall customer experience as Spiritleaf stores enjoy an average-weighted Google rating of 4.5 out of 5 stars from over 2,259 customer reviews.*

*Fundamental Research Corp. (August 2020)



Online Convenience

E-commerce sales platforms launched to provide online sales and delivery across various jurisdictions achieving sales records and proving out e-commerce capability.



Name Recognition

Strong media relations program is generating awareness for Spiritleaf. In 2020 we garnered some 600 stories in various media outlets – 25% more than our nearest competitor. These Spiritleaf stories were shared 20,000 times on social media.



Partners in Delivery

Strategic link with online cannabis marketplace Dutchie provides online and in-store product information and easy ordering and fulfillment for customers.

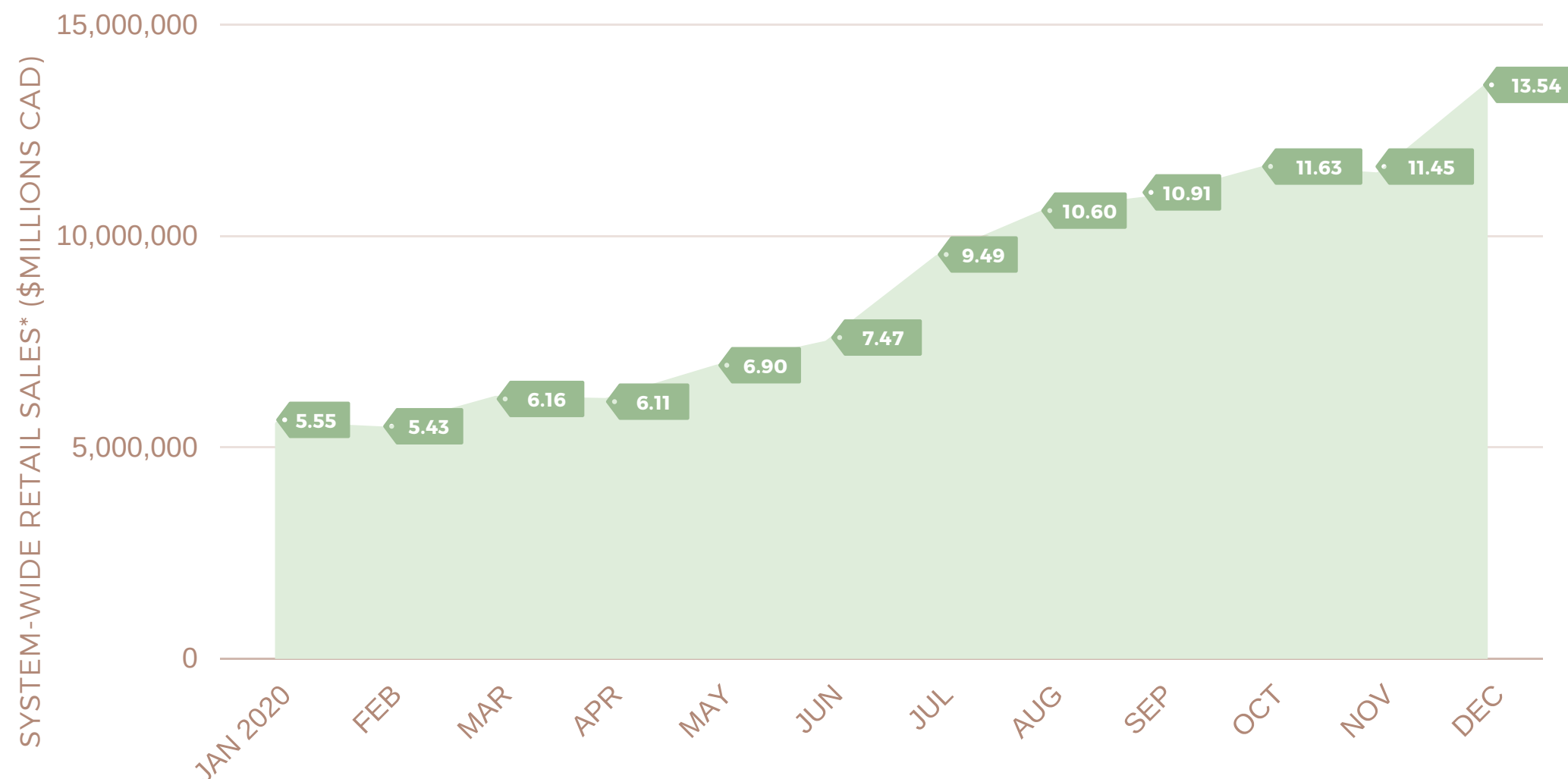


Market Intelligence

Leveraging a data analytics and market intelligence platform from a partnership with Headset and Nielsen that provides shopper insights and enables informed cannabis product purchasing decisions by Spiritleaf stores.

SPIRITLEAF EXPERIENCING STRONG GROWTH IN MONTHLY SALES

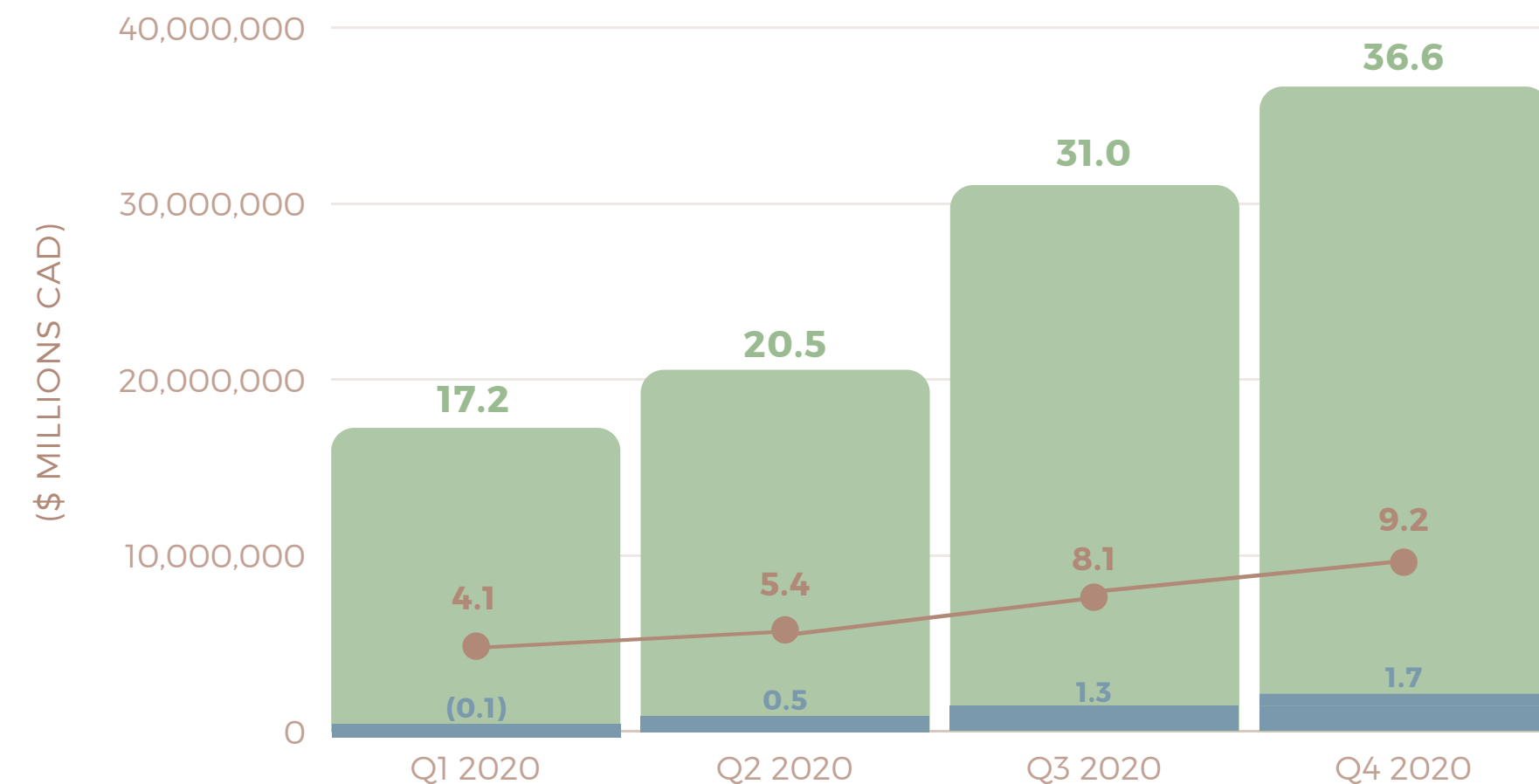
Operating Performance: System-Wide Retail Sales



*System-wide retail sales is a non-IFRS financial measure. See 'Non-IFRS Financial Measures' disclaimer.

SPIRITLEAF ACHIEVING POSITIVE QUARTERLY FINANCIAL PERFORMANCE

Operating Performance: Sales, Revenue & EBITDA



- System-wide retail sales*
- Revenue (Corporate store sales & franchise royalties)
- Adjusted EBITDA*

* System-wide retail sales and Adjusted EBITDA are non-IFRS financial measures. See "Non-Financial Measures" disclaimer.

Meet the Spiritleaf Team



Founder
Darren Bondar
PRESIDENT & CEO



Business Development
Cecil Horwitz
VICE PRESIDENT, BUSINESS & ETHOS



Finance
Jeremy Lee
VICE PRESIDENT, FINANCE



Operations
Christine Kitz
NATIONAL MANAGER,
RETAIL OPERATIONS



Brand & Community
Christine Smith
NATIONAL MANAGER,
MARKETING & STRATEGY



Real Estate
Dave Marino
NATIONAL REAL ESTATE
MANAGER & ONTARIO GM



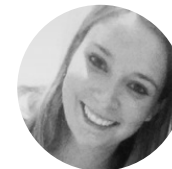
Human Resources
Nicki Krygier
NATIONAL MANAGER,
HUMAN RESOURCES



Design & Build
Chris Ostafie
NATIONAL MANAGER,
CONSTRUCTION



Customers & Vendors
Autumn Hodgins
STRATEGIC BUYER &
VENDOR COLLABORATOR



Franchise Relations
Courtney Richer
FRANCHISE DEVELOPMENT &
COMPLIANCE COORDINATOR

Board of Directors



Darren Bondar

PRESIDENT, CEO & DIRECTOR

20 years experience in retail and franchise industries. MBA from University of Alberta and Bachelor of Arts from Western Ontario University.



Christopher Gulka

CFO & DIRECTOR

CPA and CFA with 25 years business experience. President of Working Capital Corporation since 1999.



Manjit Minhas

DIRECTOR

Co-founder and CEO of Minhas Breweries, Distilleries and Wineries, a major producer and distributor of liquor and beer products.



Russell Wilson

DIRECTOR

VP, Business Development of Prairie Merchant Corporation, private investment company founded by W. Brett Wilson.



Craig Steinberg

DIRECTOR

Former partner at Miller Thomson LLP. 10 years experience as a private mortgage banker and corporate counsel.



Andrew MacMillan

DIRECTOR

VP, Commercial Business Development of Auxly Cannabis Group. Formerly CEO of PEI Cannabis Management Corporation.



David Margolus

DIRECTOR

Former Managing Partner of Witten LLP. Served on multiple boards including Edmonton Regional Airports Authority and Liquor Stores N.A. Ltd.



Frank Rochon

DIRECTOR

Former Vice Chairman with Deloitte. During 30-year career has served many emerging companies and is widely sought for his trusted counsel.



Michael Ginevsky

CORPORATE SECRETARY

Corporate securities lawyer at Burstall LP with experience in capital markets, corporate finance and regulatory compliance.

Strategic Partnerships and Collaborations



TSX.V: XLY

- Collaborate on retail initiatives including product acquisition, in-store marketing and branding, and franchise partnerships
- Represented on ISH Board of Directors with Auxly VP Andrew MacMillan



TSX: HEXO; NYSE: HEXO

- Distribute Up Cannabis products and feature Up Cannabis-branded customer lounges in select Spiritleaf stores



NASDAQ:TLRY

- Collaborate with Spiritleaf stores to highlight Tilray's High Park products and support SpiritFund charitable endeavours



- Invested in ISH and partnered with Company to reduce Licensed Producers' ownership stake below 25% to pursue growth in Ontario market
- Represented on ISH Board of Directors with Prairie Merchant VP Russell Wilson



- Licensed as preferred retailer to distribute and sell High Times magazines in Spiritleaf stores



- ISH has invested in this budding cannabis brand which features a social action arm to support creators and fund emerging artists in Canada
- Partners in venture include members of Our Lady Peace, Blue Rodeo, Stars, Felix Cartal, Kiesza, dvsn and Roy Woods



WHERE WE'VE COME FROM,
WHERE WE'RE GOING

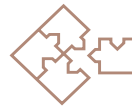
Investment Opportunity

INNER SPIRIT HOLDINGS

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Opportunity to participate in Canada's emerging recreational cannabis market by investing in the leading national retail brand that has proven its ability to license, open and operate stores and deliver value to a growing number of customers. Company business model enables expansion possibilities in U.S. and international markets where private distribution of cannabis is legal.



Proven revenue-generating business model with more than 80 stores open and 100-plus Spiritleaf store locations planned to be operating in local markets across Canada by year end – all supported by corporate store development and franchise agreements with local entrepreneurs entering the business and applying their capital to growing the network.



Expansion potential exists for current operating markets of Alberta, Saskatchewan and British Columbia along with additional near-term growth potential in Ontario, Newfoundland and Labrador, and Manitoba (these provinces collectively represent 72% of Canada's population) as population per cannabis store in Canada still significantly below industry category comparables.



Possesses more than 20 years of experience and expertise in franchising, branding, retail, marketing and real estate with a proven business approach and deep passion for the recreational cannabis retail market.



Aligned with key strategic partners and focused investors to create a fully integrated business model and capability to access capital as required.

Investor Information

Inner Spirit Holdings Ltd.

CSE:ISH

Capitalization Table

MARCH 25, 2021

SHARES ISSUED & OUTSTANDING	241,881,427
OPTIONS & WARRANTS	21,347,500
CONVERTIBLE DEBENTURES	34,384,000
TOTAL SHARES FULLY DILUTED	297,612,927

Highlights

Top 6 shareholders own ~40%

Capital light business model

Analyst coverage by Fundamental
Research Corp. – Sid Rajeev
604.682.7050/sidr@researchfrc.com

Disclaimers

GENERAL

This Presentation has been prepared by the management of Inner Spirit Holdings Ltd. (the "Company," "Inner Spirit" or "ISH") for informational purposes only and is not intended to provide financial, tax, legal or accounting advice. The contents herein do not constitute or form part of any advertisement, any offer to sell or any solicitation of an offer to buy or subscribe for securities of Inner Spirit or represent an intention to induce any person to make an investment in the Company or to assist any person in the making of an investment decision. Unless otherwise indicated, information is provided as of March 25, 2021.

MARKET AND INDUSTRY DATA

This Presentation includes market data and industry forecasts that the Company has obtained from industry publications, market research reports and other published independent sources. Such publications and reports generally state that the information contained therein has been obtained from sources believed to be reliable. Although the Company believes these publications and reports to be reliable, it has not independently verified any of the data or other statistical information contained therein, nor has it ascertained or validated the underlying economic or other assumptions relied upon by these sources. The Company has no intention and undertakes no obligation to update or revise any such information or data, whether as a result of new information, future events or otherwise, except as, and to the extent required by applicable securities laws. The Company hereby disclaims any responsibility or liability whatsoever in respect of any third-party sources of market and industry data or information.

FORWARD-LOOKING INFORMATION

This Presentation contains certain statements and information that, to the extent they are not historical fact, may constitute "forward-looking information", including financial outlook, under applicable securities laws. Such forward-looking information is used for the purpose of providing information about management's current expectations and plans relating to the future development of Inner Spirit's business. Readers are cautioned that reliance on such information may not be appropriate for other purposes, such as making investment decisions. Forward-looking information includes, but is not limited to, statements or information with respect to: the Company's business model and plan, including anticipated activities, opportunities, strategies and objectives; the Company's plans for, and expectation of, additional Spritleaf retail cannabis stores in British Columbia, Alberta, Saskatchewan, Ontario, Newfoundland and Labrador, and Manitoba; the expected opportunity to enhance sales of Cannabis 2.0 products in the future; intended products, delivery systems and partnerships; near-term growth potential in Ontario, Newfoundland and Labrador, and Manitoba; expansion plans for over 100 Spritleaf stores to be operating by year end; potential expansion opportunities existing in the U.S., Mexico and Israel; the anticipated launch of the Spritleaf Origins private label in Spring 2021; anticipated system-wide retail sales and revenue results for Q4 2020; and certain other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. The forward-looking information is based on a number of factors, expectations and assumptions which have been used to develop such information, and which may prove to be incorrect. Such factors, expectations and assumptions include, but are not limited to: estimates of the financial and operational performance of Inner Spirit; 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; the operating performance of Inner Spirit's assets and businesses; the sufficiency of budgeted capital expenditures in carrying out planned activities; assumptions of costs associated with development plans; competitive factors in the retail cannabis industry; laws and regulations affecting Inner Spirit's business; and general economic conditions. The forward-looking information is subject to known and unknown risks and factors that may cause actual results to differ materially from those anticipated or implied in the forward-looking information.

These risks and factors include, without limitation: 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; risks associated with the retailing of recreational cannabis; the ability of management to execute its business strategy, objectives and plans; the impact of general economic conditions in Canada; changes in industry conditions; changes to laws and regulations applicable to the Company and its business, or changes in how they are interpreted and enforced; increased competition; the risk of disruptions to the Company's supply chain; the lack of availability of qualified personnel; risks associated with the Company's reliance on key personnel; changing consumer sentiments; and risks related to the COVID-19 pandemic. Readers are cautioned that the foregoing list of factors and risks is not exhaustive. Inner Spirit's actual results, performance or achievement could differ materially from those expressed in, or implied by, the forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits that Inner Spirit will derive therefrom. Readers should not place undue reliance on any such forward-looking information. The forward-looking information is made as at the date of this Presentation and Inner Spirit does not undertake any obligation to update publicly or to revise any of the included forward-looking information, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws. Historical statements should not be taken as a representation that such trends will be replicated in the future. No statement is intended to be nor may be construed as a profit forecast.

NON-IFRS FINANCIAL MEASURES

In this Presentation, the Company reports "system-wide retail sales" and "Adjusted EBITDA", financial measures that are not determined or defined in accordance with the International Financial Reporting Standards, as issued by the International Accounting Standards Board ("IFRS"). Such financial measures do not have standardized meanings prescribed by IFRS and Inner Spirit's methods of calculating these financial measures may differ from methods used by other companies. Accordingly, such non-IFRS financial measures may not be comparable to similarly titled measures presented by other companies. These measures are provided as additional information to complement IFRS by providing a further understanding of operations from management's perspective and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. For reconciliations of these measures to various IFRS measures, please see the Company's most recent Management's Discussion and Analysis filed under the Company's SEDAR profile at www.sedar.com.

System-wide retail sales represents the sum of the revenue reported to Inner Spirit by (i) franchisees of Spritleaf retail cannabis stores and (ii) Company-owned Spritleaf retail cannabis stores. This measure is useful to management and the investment community in evaluating brand scale and market penetration and is used by management of Inner Spirit to assess the financial and operational performance of the Company and the strength of the Company's market position relative to its competitors.

Adjusted EBITDA is defined as the net and comprehensive income (loss) for the period, as reported, adjusted for right-of-use asset depreciation, depreciation and amortization, unrealized and realized gain (loss) on marketable securities, gain (loss) on sublease arrangement, financial guarantee liability expense, finance income, interest expense (accretion) - leases, interest expense, convertible debenture accretion, share-based compensation, taxes, and other non-cash and non-recurring items. Management believes Adjusted EBITDA is a useful financial metric to assess its operating performance prior to consideration of how operations are financed, how the results are taxed, and how the results are impacted by non-cash charges and charges that are irregular in nature or not reflective of the Company's core operations.

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