

Spyder Cannabis Acquires Leading Vape Retailer 180 Smoke

Vaughan, Ontario--(Newsfile Corp. - March 31, 2021) - Spyder Cannabis Inc. (TSXV: SPDR) ("**Spyder**" or the "**Company**"), an established Canadian cannabis and vape retailer, is pleased to announce the closing of its previously announced acquisition on February 23, 2021 of all of the issued and outstanding shares of the entities that collectively comprise the business of 180 Smoke ("**180 Smoke**"), a dominant vape retailer in Canada. On March 30, 2021, the Company purchased all of the shares of 180 Smoke (the "**Acquisition**") from CRHC Holdings Corp. (the "**Seller**"), on a cash-free basis (after post-closing adjustments), for nominal consideration. Additionally, the Company secured a strategic institutional investor to lead the acquisition of all the existing debt of 180 Smoke owing to an affiliate of the Seller.

Dan Pelchovitz, President & CEO of Spyder, commented, "We are extremely excited to welcome 180 Smoke to the Spyder team, which undoubtedly strengthens our management and operating teams bringing strong retail processes and expertise to Spyder. The acquisition of 180 Smoke significantly accelerates the development of Spyder's cannabis and vape retail growth strategy, providing access to an iconic brand name, an established platform, and a loyal customer base. We are excited by the prospects ahead of us and executing on our immediate cannabis retail expansion plans in Ontario."

Transaction Highlights

- 180 Smoke is a leading Canadian vape product retailer that has been widely regarded as the gold standard for vape store operations and customer service. 180 Smoke sells high-quality e-cigarettes, vaporizers and other nicotine-related products.
- The Acquisition is expected to immediately increase Spyder's consolidated revenue with the addition of 180 Smoke's nicotine vape sales, franchise revenue and other wholesale and distribution revenue which generated approximately \$12.9 million in unaudited net revenue with gross margins of 50% during the year ended December 31, 2020.
- 180 Smoke has a team of 91 employees who will continue to operate 180 Smoke's 18 brick and mortar vape retail locations, 8 franchises, and its corporate head office and distribution warehouse, following the closing of the Acquisition.
- 180 Smoke's current customer base includes 92,481 in-store accounts, 98,052 online accounts, as well as 235 specialty wholesale vape B2B accounts.
- Immediately after closing, Spyder expects to integrate its 2 brick and mortar vape retail stores with those of 180 Smoke's to leverage the acquired know-how and intellectual property, including retail store design and layout, standard operating procedures, administrative systems and customer support, human resources and staff training, and accounting.
- Synergies are also expected between 180 Smoke's existing customer base with Spyder's cannabis business.
- Spyder will have the ability to utilize its wholly-owned subsidiary's *Retail Operator License* issued by the Alcohol and Gaming Commission of Ontario (AGCO) to convert some of 180 Smoke's existing vape retail locations to licensed cannabis dispensaries by obtaining a *Retail Store Authorization* from the AGCO for such store.

About Spyder Cannabis Inc.

Spyder is a cannabis and vape retailer that operates in jurisdictions where the products are federally legal in Canada. The Company, through its subsidiaries, is a retailer involved in the development of two

retail business units. The first is the sale of cannabis products and the second is the sale of smoking cessation products.

Cautionary Statements

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Certain statements contained in this press release constitute forward-looking information. These statements relate to future events or future performance of the Company. The use of any of the words "could", "intend", "expect", "believe", "will", "may", "projected", "estimated" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on the Company's current belief or assumptions as to the outcome and timing of such future events. Actual future results may differ materially. In particular, this release contains forward-looking information relating to the Company's expectations with respect to the effect the Acquisition will have on the plans, performance, and future business of the Company, which more specifically include the Company's immediate cannabis retail expansion plans, the Company's expectation that the Acquisition will immediately increase the Company's consolidated revenue, the Company's plans to integrate its 2 brick and mortar vape retail stores with those of 180 Smoke, the Company's expectations with respect to synergies being created between 180 Smoke's existing customer base with the Company's cannabis business, and the Company's plans to convert some of 180 Smoke's existing vape retail locations to licensed cannabis dispensaries by obtaining a *Retail Store Authorization* from the AGCO.

Various assumptions or factors are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information. Those assumptions and factors are based on information currently available to the Company. Risk factors that could cause actual results or outcomes to differ materially from the results expressed or implied by forward-looking information include, among other things, general economic and business conditions, changes in the regulatory conditions in the markets within which the Company operates, the Company not being successful in obtaining *Retail Store Authorization* for various vape retail locations, and the Company's failure to integrate the brick and mortar vape stores. The Company cautions the reader that the above list of risk factors is not exhaustive. The forward-looking information contained in this release is made as of the date hereof and the parties are not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward-looking information. The foregoing statements expressly qualify any forward-looking information contained herein.

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