

## **Xtraction Services Amends Lease Agreement With Puritix and Begins Invoicing Ahead of Schedule**

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LOS ANGELES--(BUSINESS WIRE)--October 3, 2019--Xtraction Services Holding Corp., ("**Xtraction Services**", "**XS**" or the "**Company**") (CSE:XS), a fast growing provider of equipment leasing solutions to owner/operators of cannabis and hemp companies in the United States, announced today that the Company has amended its existing Lease Agreement ("**Agreement**"), with Puritix, LLC ("**Puritix**", managed by Holistic Health, operating out of Fort Wright, Kentucky, processors of hemp biomass to produce various forms of CBD oil). The amended Agreement provides Puritix with the same yield projections at a reduced installation cost and allows Xtraction Services to invoice four (4) months ahead of schedule due to equipment availability. This modified equipment requisition reduces upfront capital requirements and frees up funds for the Company to pursue other accretive opportunities.

### **Highlights of Amended Agreement:**

- **Revised lease terms to a fixed price per gram of crude oil as opposed to a price per gram of distillate (refined oil), reducing operational risk**
- **Invoicing commenced four (4) months earlier than the original Agreement, combined with ability to invoice for crude oil produced to date (approx. US\$60,000 value)**

The amended Agreement provides Puritix extraction, testing and pre/post processing equipment over a term of 30 months, in exchange for a fixed price per gram of crude oil, or US\$50,000 per month, whichever is greater (altered from a royalty based on a price per gram of THC free distillate). In addition, Puritix has agreed to allow Xtraction Services to invoice for crude oil already produced to date (approximately US\$60,000 value). Invoicing commenced this month, four (4) months earlier than originally anticipated.

**David Kivitz, Chief Executive Officer of XS, commented,** "The amended Agreement is a win-win for both parties. We are proud to work with a leading extraction company like Puritix and will continue to support their team so that they can meet their business objectives."

"The cannabis and hemp industries are in constant flux and we are well-positioned to meet the unique and changing demands. As well, the modified equipment needs

allowed us to free up capital to pursue additional opportunities. We look forward to providing periodic updates on our initiatives moving forward.”

**Christopher D. Stock, Chief Executive Officer of Puritix, LLC commented,** “The team at Xtraction Services has been very supportive throughout this process. The revised terms give us the flexibility to produce a full spectrum of products to better serve the needs of our customers. We will be working closely with the Xtraction Services team going forward and expect to be ramping up our production, moving from our current one shift per day on a four-day schedule, to a 24/7 schedule by the end of November.”

### **About Xtraction Services**

Founded in 2017, XS specializes in providing equipment leasing solutions in the United States to owner/operators of cannabis and hemp companies, including cultivators, oil processors, manufacturers, testing laboratories, among others. In addition, XS provides a full range of consulting services including equipment selection and procurement, through its network of preferred vendor partnerships with original equipment manufacturers and equipment distributors. Further, XS also provides a full range of all on-site support services including staff recruitment, process development, and product formulation. This powerful dynamic provides an end-to-end solution for customers which results in recurring revenues, strong profit margins, and a proven business model for XS stakeholders.

*Neither the Canadian Securities Exchange nor its Regulation Services Provider accepts responsibility for the adequacy or accuracy of this release.*

### **Forward-Looking Information**

*This press release contains "forward-looking information" and may also contain statements that may constitute "forward-looking statements", collectively "forward-looking information", within the meaning of applicable Canadian securities legislation. Such forward-looking information is not representative of historical facts or information or current condition, but instead represent the beliefs and expectations regarding future events about the business and the industry and markets in which Xtraction Services operates, as well as plans or objectives of management, many of which, by their nature, are inherently uncertain. Generally, such forward-looking information can be identified by the use of terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or may contain statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "will continue", "will occur" or*

*"will be achieved". Forward-looking information contained herein may include but is not limited to: final installation costs and timing of installation of newly leased equipment; and actual dollar value of product produced to date.*

*Forward-looking statements are not guarantees of future performance and involve risks, uncertainties and assumptions which are difficult to predict. Accordingly, readers should not place undue reliance on forward-looking statements, which are qualified in their entirety by this cautionary statement. Xtraction Services does not undertake any obligation to release publicly any revisions for updating any voluntary forward-looking statements, except as required by applicable securities law.*

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