

XS Financial Announces Third Tranche Drawdown With PharmaCann

LOS ANGELES--(BUSINESS WIRE)--July 9, 2020--**XS Financial Inc.**, (“**XS Financial**”, “**XS**” or the “**Company**”) (CSE:XSJ) (OTCQB: XSHLF), a specialty finance company engaged in equipment leasing in the United States, announced today that PharmaCann Inc. (“**PharmaCann**”), one of the largest privately held and vertically-integrated cannabis companies based in Chicago, Illinois, continues to draw down on their lease amount.

PharmaCann was approved for an equipment lease of up to USD\$3.4 million for new equipment purchases to be deployed in tranches on a pro-rata basis and based on 48-month terms. This drawdown brings the total drawn to date to approximately USD\$2.8 million for new equipment, which allows PharmaCann to expand its manufacturing capabilities in multiple markets, including Ohio, Illinois, Massachusetts, Pennsylvania and New York. Over 90 pieces of various equipment was sourced from 36 vendors who are part of the Company’s Preferred Vendor Program.

Brett Novey, Chief Executive Officer of PharmaCann, commented, “It’s a pleasure working with XS. Their internal procurement team provides valuable support in addition to the capital provided, and XS continues to be a great partner. This equipment allows PharmaCann to expand our production capabilities in high-growth, limited-license jurisdictions in a more capital-efficient manner.”

David Kivitz, Chief Executive Officer of XS, commented, “As our customers grow, XS will be there to support their needs and provide tailored and flexible equipment leasing solutions to mitigate large capital outlays, or excessive dilution. PharmaCann is one of the largest vertically-integrated cannabis companies in the United States, and we are very pleased to work with them.”

About XS Financial

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. 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.

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