

XS Financial Announces Fourth Tranche Drawdown With PharmaCann

LOS ANGELES--(BUSINESS WIRE)--August 27, 2020--**XS Financial Inc. ("XS Financial," "XS" or the "Company")** (CSE:XSJ) (OTCQB: XSHLF), a specialty finance company engaged in equipment leasing to owner operators of cannabis and hemp companies in the United States, is pleased to announce that PharmaCann Inc. ("**PharmaCann**"), one of the nation's largest privately-held cannabis companies, 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 fourth drawdown completes the approved contract 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 were sourced from 36 vendors who are part of the Company's Preferred Vendor Program.

Brett Novey, Chief Executive Officer of PharmaCann, commented, "It has been a pleasure working with the XS team and we appreciate their strong support throughout the entire process. The capital provided allows us to expand our production capabilities to develop innovative, high-quality products in the markets we serve."

David Kivitz, Chief Executive Officer of XS, commented, "We are very pleased to provide the equipment leasing required to allow PharmaCann to meet their expansion goals. Being able to support a company such as PharmaCann, sourcing numerous amounts of equipment, for deployment in various jurisdictions, illustrates the strength of the XS team. Our expertise in equipment leasing and knowledge of the industry is what sets us apart and allows us to deliver on large-scale, complex requirements.

"As discussed in our previous update we remain well capitalized and are working on a number of potential new lease agreements which will grow the leasing portfolio and further solidify us as the go-to name for equipment leasing in this space."

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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