

**XTRACTION SERVICES ENTERS INTO LEASING AGREEMENT WITH PHARMACANN,  
ONE OF THE LARGEST PRIVATELY HELD AND VERTICALLY-INTEGRATED CANNABIS  
COMPANIES IN THE UNITED STATES**

**LOS ANGELES, May 12, 2020** -- Xtraction Services Holding Corp., (“Xtraction Services”, “XS” or the “Company”) (CSE:XS) (OTCQB: XSHLF), a specialty finance company engaged in equipment leasing in the United States, announced today entering into a Lease Agreement (the “Agreement”), with PharmaCann Inc. (“PharmaCann”), one of the largest privately held and vertically-integrated cannabis companies operating cultivation, manufacturing, distribution and retail locations in six states, based in Chicago, Illinois.

PharmaCann has been 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. Tranche 1 totals USD\$0.87 million of new equipment, which allows PharmaCann to expand their manufacturing capabilities in multiple markets including Ohio, Illinois, Massachusetts and Pennsylvania. XS utilized its Preferred Vendors to ensure a seamless procurement process with the PharmaCann team and the opportunity allowed XS to add multiple new Original Equipment Manufacturers to the program.

**Highlights:**

- **PharmaCann is one of the largest vertically-integrated cannabis companies, currently licensed in six (6) states to grow, process and/or dispense high-quality cannabis products in both medical and recreational markets**
- **48-month term from draw-down date of each tranche**
- **Total lease amount approved for up to USD\$3.4 million with Tranche 1 drawn immediately for USD\$0.87 million of new equipment**

**David Kivitz, Chief Executive Officer of XS commented,** “PharmaCann is one of the largest vertically-integrated cannabis companies in the United States, committed to providing safe, reliable, top quality cannabis to improve people’s lives. They represent the quality of customer XS is looking to work with and we are proud to be an integral part of their growth. PharmaCann, a major multi-state-operator, is one of the largest leases XS has signed to date and we are aggressively working to add new customers through our current pipeline of +32 advanced discussions with potential new customers. We are excited with the trajectory the Company is taking and look forward to providing additional updates as they become available.”

**Brett Novey, Chief Executive Officer of PharmaCann commented,** “It was a pleasure working with XS. Their team was a great partner from start to finish, and always had our best interest in mind. This equipment lease allows PharmaCann to expand our production capabilities in high-growth, limited-license jurisdictions in a more capital-efficient manner.”

In connection with the transaction, XS has agreed to issue an aggregate of 600,000 common shares of the Company as an advisory fee to an arm’s-length consultant, subject to the approval of the Canadian Securities Exchange.

**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. 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.

**For more information please contact Xtraction Services:**

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*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, any additional leasing opportunities and the ability to capitalize on such and the timing thereof.*

*Forward-looking information is not a guarantee of future performance and involve risks, uncertainties and assumptions which are difficult to predict. Accordingly, readers should not place undue reliance on forward-looking information, 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 information, except as required by applicable securities law.*

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