



NEWS RELEASE

YSS CORP. ANNOUNCES PRELIMINARY Q3 2020 HIGHLIGHTS

CALGARY, ALBERTA, October 21, 2020 – YSS Corp.™ (the “Company” or “YSS”) (TSXV: YSS) (WKN: A2PMAX), a premier Canadian cannabis retailer with operations under the YSS™ and Sweet Tree™ brands and a trusted destination to explore and discover cannabis in Canada, is pleased to announce preliminary Q3 2020 highlights. Results below are solely attributable to existing store growth as no new stores were opened during Q3 2020.

Q3 2020 Highlights

- Revenue of \$5.8 million increased 24% over Q2 2020 and exceeded the Company’s Q3 2020 outlook of \$5.6 million.
- Gross margin of \$1.8 million was 31% higher than Q2 2020 and exceeded the Company’s Q3 2020 outlook of \$1.6 million.
- Store-level EBITDA¹ of \$560 thousand increased 56% compared to the previous quarter.
- YSS has continued to take steps to improve its operational efficiencies and its store-level EBITDA¹ margin, which has grown from 4% in Q1 2020, 8% in Q2 2020 to 10% in Q3 2020.
- General and administrative costs of \$733 thousand are 9% higher than Q2 2020 relating to resumed construction and leasing activities to support the ongoing growth of the Company.

On October 16, 2020, YSS opened its 18th location, YSS Hamptons, in Edmonton. The Company’s construction activities on its next two YSS stores, located in Waterloo and Calgary, are ongoing.

With \$4.1 million of cash as at June 30, 2020, YSS has ample capital to support its ongoing existing store growth and its planned new store growth in Alberta and Ontario, while maintaining the financial flexibility to evaluate and pursue strategic opportunities. YSS remains on target to exit 2020 with positive run-rate corporate EBITDA¹.

YSS is also pleased to announce it will participate in the Canadian Cannabis Retail Conference, hosted by BDO Capital Advisors, LCC on November 10, 2020. For additional details and to register please visit <https://bdoca.webex.com/bdoca/onstage/g.php?MTID=e31c8dc5690c706df84874cfcbf62fd26>.

Additional Information

Concurrent with this press release, the Company has posted an updated corporate presentation on the investor portal of YSS’s website at: <https://ysscorp.ca/investors>.

Selected financial and operational information is outlined in this press release and should be read in conjunction with YSS’s condensed interim consolidated financial statements for the quarter ended June 30, 2020 and the related management’s discussion and analysis (“MD&A”), each of which is filed under

¹ Non-IFRS measure. Store-level EBITDA is defined as revenue less cost of goods sold and operating costs before corporate general & administrative expenses. Corporate EBITDA is defined as store-level EBITDA less corporate general & administrative costs.

the Company's profile on SEDAR at www.sedar.com and posted to the Company's website at www.ysscorp.ca/.

For information on store locations, updates on promotions, store openings and to access the Company's click and collect service please visit www.ysscorp.ca, www.sweettreecannabis.com and follow us on social media.

For additional information regarding YSS Corp., please see the Company's website at www.ysscorp.ca/investors and filings available under the Company's profile on SEDAR at www.sedar.com.

About YSS Corp.

With retail operations under the **YSS™** and **Sweet Tree™** brands, YSS Corp. is a premium cannabis retailer and the trusted destination to explore and discover cannabis in Canada. YSS operates 18 stores across Alberta and in Saskatchewan under the YSS and Sweet Tree brands. In addition, YSS maintains a strategic portfolio of under construction, secured and prospective locations that represent future organic growth potential for the Company. YSS management brings proven expertise across capital markets, retail operations, hospitality, cannabis, financial management and a strong commitment to deliver shareholder value by leveraging high-quality opportunities within this exciting new industry. The YSS retail experience is built on our five fundamental pillars: convenience, value, selection, team, and above all else, trust.

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This news release may include forward-looking statements including opinions, assumptions, estimates, the Company's assessment of future plans and operations, and, more particularly, statements concerning: YSS' retail cannabis business strategy, including organic growth and strategic activities; the Company's operations and retail experience; the construction of the Company's next two stores in Waterloo and Edmonton; the Company having

ample capital to support ongoing existing store growth and its planned new store growth while maintaining the financial flexibility to evaluate and pursue strategic opportunities; the Company's projection and objective to exit 2020 with positive run-rate corporate EBITDA; the Company's participation in the Canadian Cannabis Retail Conference and the location and timing thereof; and information relating to future promotions, store openings and the Company's click-and-collect service.

When used in this press release, the words "will," "anticipate," "believe," "estimate," "expect," "intent," "may," "project," "should," and similar expressions are intended to be among the statements that identify forward-looking statements.

The forward-looking statements are founded on the basis of expectations and assumptions made by the Company. Forward-looking statements are subject to a wide range of risks and uncertainties and, although the Company believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will be realized. Any number of important factors could cause actual results to differ materially from those in the forward-looking statements including, but not limited to: risks relating to the COVID-19 pandemic, governmental responses thereto, measures taken by the Company in response thereto and the impact thereof on the global economy, capital markets, the cannabis retail industry and the Company; the success of the Company's operations; ability to execute its business strategy and future plans of operations; risks relating to acquisitions; third party credit risks; accuracy and reliability of data analytics relied on by the Company; ability to obtain, amend or renew necessary licences, permits and authorizations for the Company's operations in a timely and cost-efficient manner; ability to obtain and maintain liability insurance on acceptable terms; development of new stores including construction delays; increased competition; ability to locate and secure acceptable store sites and maintain retail leases on acceptable terms; ability to obtain quality and diversified cannabis products and cannabis accessories; ability to attract and retain key personnel and customers; dependence on key personnel; labour costs, shortages and labour relations; supply interruption or delays; dependence on suppliers; intellectual property and cybersecurity risks; risks related to product recalls, product liability and health and safety; unfavourable publicity and consumer perception with respect to cannabis, cannabis products and cannabis accessories; industry conditions and events; the size of the recreational cannabis market; changing customer habits; the state of the economy including general economic conditions in Canada, the U.S. and globally; the unpredictability and volatility of the price of the common shares; restrictions on potential growth; availability of sufficient financial resources to fund the Company's capital expenditures; changes in tax rates and government mark-ups; the state of domestic capital markets; the ability to obtain financing on satisfactory terms; changes in general market conditions; and other factors more fully described from time to time in the reports and filings made by the Company with securities regulatory authorities. Please refer to the Company's management's discussion and analysis for the year ended December 31, 2019 and the Company's annual information form for the year ended December 31, 2019 for additional risk factors relating to the Company, which can be accessed under the Company's profile on www.sedar.com.

Except as required by applicable laws, the Company does not undertake any obligation to publicly update or revise any forward-looking statements.

This news release contains future-oriented financial information and financial outlook information (collectively, "FOFI") about the Company's EBITDA, which is subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above paragraphs. FOFI contained in this press release was approved by management as of the date of this press release and was provided for the purpose of providing further information about YSS' future business operations. YSS disclaims any intention or obligation to update or revise any FOFI contained in this press release, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law. Readers are cautioned that the FOFI contained in this press release should not be used for purposes other than for which it is disclosed herein.

Store-level EBITDA (Earnings Before Interest Tax Depreciation Amortization) and Corporate EBITDA are not measures recognized by International Financial Reporting Standards ("IFRS") and do not have standardized

meanings prescribed by IFRS. Investors are cautioned that these measures should not be relied on as an indicator of the Company's financial performance, of its cash flows from operating, investing and financing activities or be relied on as measures of its liquidity and cash flows. The Company's method of calculating the aforementioned non-IFRS financial measures, may differ from the methods used by other issuers. Therefore, these measures may not be comparable to similar measures presented by other issuers. Please refer to the MD&A for additional information relating to non-IFRS measures.

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 news release.