



## NEWS RELEASE

### YSS CORP. AGREES TO INDICATIVE TERMS FOR \$4.0 MILLION CREDIT FACILITY

**CALGARY, ALBERTA, November 16, 2020** – YSS Corp.<sup>TM</sup> (the “**Company**” or “**YSS**”) (TSXV: YSS) (WKN: A2PMAX), a premier Canadian cannabis retailer with operations under the YSS<sup>TM</sup> and Sweet Tree<sup>TM</sup> brands and a trusted destination to explore and discover cannabis in Canada, is pleased to announce that it has entered into a letter of intent (the “**LOI**”) with an institutional lender (the “**Lender**”) in respect of a senior secured term loan of up to \$4.0 million (the “**Facility**”).

The Facility, which can be drawn in \$1.0 million increments, will enhance the Company’s financial flexibility and position for further organic growth in 2021. As at September 30, 2020, the Company had \$2.9 million of cash on the balance sheet and remains on target to exit 2020 with positive run-rate corporate EBITDA<sup>1</sup>.

The Facility is expected to close in December 2020 and is subject to due diligence and the satisfaction of certain conditions, including the execution of definitive loan documentation. The Facility is non-convertible and matures three years from the date of closing. Amounts drawn will bear an interest rate equal to the Canadian 3-Month Banker’s Acceptance Rate, subject to a 1.75% minimum, plus 8.00% per annum. Pursuant to the LOI, 12.0 million share purchase warrants (“**Facility Warrants**”) will be issued to the Lender upon closing. Subject to the terms of the certificate representing the Facility Warrants, each Facility Warrant will entitle the Lender to purchase one common share of YSS at a price of \$0.14 for a period of 5 years. The Facility Warrants will vest and become exercisable as to: (i) 6.0 million on the date of the first draw; and (ii) an additional 2.0 million on each subsequent draw. Pursuant to applicable securities laws, the Facility Warrants and any common shares of YSS issued upon the exercise of the warrants will be subject to a hold period of four months plus one day following the date of issuance of the warrants. The issuance of the Facility Warrants is subject to approval of the TSX Venture Exchange.

#### **Additional Information**

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](http://www.ysscorp.ca), [www.sweettreecannabis.com](http://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](http://www.ysscorp.ca/investors) and filings available under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

#### **About YSS Corp.**

<sup>1</sup> 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. See disclaimers below.

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: the closing of the Facility and the timing thereof and the use of proceeds therefrom; YSS' retail cannabis business strategy, including organic growth and strategic activities; the Company's operations and retail experience; the Company having 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; 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 that include, but are not limited to, the execution of definitive documentation in respect of the Facility and the timely receipt of all required regulatory and third-party approvals, including TSXV approval of the Facility Warrants. 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: the terms and conditions of the Facility; 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 for the quarter ended June 30, 2020 (the "MD&A") 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](http://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 and proceeds from the Facility, which are 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.**