

XS FINANCIAL PROVIDES \$17 MILLION EQUIPMENT LEASE FACILITY TO SUPPORT LARGE MULTI-STATE CANNABIS OPERATOR'S EXPANSION

LOS ANGELES, CA, June 28, 2021 – XS Financial Inc. ("XS Financial", "XSF" or the "Company") (CSE: XSF) (OTCQB: XSHLF), a specialty finance company providing equipment leasing solutions to cannabis companies in the United States, announced today that it has entered into a lease agreement with a large scale, vertically integrated multi-state operator. All amounts are in U.S. dollars.

The customer has been approved for an equipment lease facility of up to \$17M for new equipment on up to 60-month terms and has already drawn on \$4.3M. This equipment acquisition will help further expand their cultivation, manufacturing and, processing facilities in multiple states. With the completion of this facility, XS Financial will be entering into certain new markets for the first time.

David Kivitz, CEO of XS Financial commented: "We are excited to add to our growing portfolio of top tier U.S. multi-state operators. This customer has developed a significant footprint in critical markets nationwide and we are thrilled to provide them with access to important financing for their CAPEX needs. We spent considerable time with their team throughout this transaction and look forward to supporting them with our non-dilutive CAPEX financing through their next phase of growth".

About XS Financial

XS Financial provides the U.S. cannabis industry access to competitively-priced, non-dilutive CAPEX financing solutions. Founded in 2017, the Company specializes in providing financing for equipment and other qualified capital expenditures to growing cannabis companies, including cultivators, processors, manufacturers and testing laboratories. In addition, XSF has partnered with over 150 original equipment manufacturers (OEM) through its network of Preferred Vendor partnerships. This powerful dynamic provides an end-to-end solution for customers, resulting in recurring revenues, strong profit margins, and a proven business model for XSF stakeholders. The Company's subordinate voting shares are traded on the Canadian Securities Exchange under the symbol "XSF" and in the United States on the OTCQB under the symbol "XSHLF." For more information, visit: www.xsfinancial.com.

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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 XS Financial 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. XS Financial Inc., does not undertake any obligation to release publicly any revisions for updating any voluntary forward-looking information, except as required by applicable securities law.

Neither the Canadian Securities Exchange nor its Regulation Services Provider accepts responsibility for the adequacy or accuracy of this release.