

## **XS FINANCIAL DOUBLES ITS REVOLVING CREDIT LINE WITH FDIC BANK AND RECEIVES IMPROVED TERMS**

**LOS ANGELES, CA, July 15, 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 doubled its revolving credit facility from \$2 million to \$4 million, with an FDIC insured bank, which has a term of two (2) years, expiring in November 2022. XS Financial has also received an increased advance rate on the credit facility. Loans made under the revolving facility will bear interest at an annual rate equal to the greater of i) eight percent (8.0%) per annum or ii) the Wall Street Journal Prime plus four percent (4.0%) and may be prepaid with no penalty at any time. All dollar amounts are in \$USD.

The loans under the credit agreement contain customary financial covenants for transactions of this type, including limitations with respect to indebtedness, liens, and disposition of assets.

XS Financial intends to use such loan proceeds, together with cash on hand, to fund additional equipment leases with new and existing customers.

**Justin Vuong, SVP of Corporate Development at XS Financial commented:** "We are excited to have our funding capacity increased from our existing FDIC bank lender. This upsized line of credit is a positive sign of support behind our strong funding growth in recent months. XS Financial continues to increase its funding commitments to existing and new customers while remaining focused on client service. We look forward to expanding our relationship with our FDIC bank lender as we achieve new milestones."

### **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](http://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.*