

XS FINANCIAL GROWS SYNDICATION TO \$5 MILLION WITH INSIDER PARTICIPATION

LOS ANGELES, CA, August 17th, 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 the Company's syndication desk has completed over \$5.0 million of lease participations. Syndication provides XS Financial with attractive, non-dilutive financing options. The Company completed its first large-scale syndication with Kadens Family Holdings, LLC ("KFH"), the family office established by Pete Kadens, ex-CEO of Green Thumb Industries, in February 2021 for \$1.0 million. As of today, XS Financial has now syndicated approximately \$5.0 million of its lease transactions, allowing the Company to better balance its portfolio concentration. As part of this most recent financing, which was completed on terms set by third-party investors at arm's length, XS Financial had participation from senior management and their family, its Board, and other existing business investors. All figures are in USD.

Antony Radbod, COO of XS Financial, commented: "Expanding our investor base through lease syndication allows us to accelerate our rate of capital deployment, enhance our returns and fund more CAPEX in the capital-intensive cannabis sector. We are thrilled to broaden our relationship with our first syndication partner Kadens Family Holdings, LLC, and welcome new investors to the platform. We are excited by XS Financials' continued pace of growth and the maturation of our business as we build a best-in-class specialty finance equipment leasing platform. We will add other strategic syndication partners as we continue to grow our high-quality lease portfolio already comprised of several large publicly traded multi-state operators."

The Company also announces that it has engaged Lytham Partners, LLC ("Lytham") for a month-to-month Marketing contract in connection with the Company's ongoing effort to increase market awareness. Lytham will provide outreach services to inform investors about developments in the Company's business and affairs. Under the terms of this agreement, Lytham will receive \$6,500 per month.

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.