

XS FINANCIAL ENTERS INTO STRATEGIC PARTNERSHIP WITH URBAN-GRO INC

LOS ANGELES CA October 5, 2021 XS Financial Inc. ("XS Financial", "XSF" or the "Company") (CSE: XSF) (OTCQB: XSHLF), a specialty finance company providing CAPEX financing solutions including equipment leasing to cannabis companies in the United States and [urban-gro, Inc.](#) (Nasdaq: UGRO) ("urban-gro"), a fully integrated architectural, engineering and cultivation systems integration company focused on the indoor Controlled Environment Agriculture ("CEA") market have entered into a strategic partnership allowing for XS Financial to provide urban-gro customers with CAPEX leasing solutions and XS customers with access to urban-gro's vendors and enhanced buying power.

XS Financial and urban-gro, Inc. are developing strong track records of working with many of the industry's largest multi-state ("MSO") and single-state ("SSO") operators. The two companies have already demonstrated shared success by the financing of equipment purchasing for a shared MSO customer.

Bradley Natrass, Chairman and CEO of urban-gro, Inc., commented: "In response to our client's request to provide financing solutions, I am excited to launch our new Financial Services division, and our strategic alliance with XS Financial further strengthens our purchasing power with leading horticulture manufacturers, and allows us to continue to exceed client's expectations. In addition to strengthening the value of the solution that we provide our clients, we believe XS Financials' competitively priced access to capital for operators will broaden our reach within the cannabis and food-focused indoor CEA Market and further assist in minimizing and eliminating supply chain delays."

David Kivitz, CEO of XS Financial commented: "This agreement with urban-gro will allow XS Financial to further expand our reach and ability to offer financing solutions to qualified customers within indoor cannabis CEA. In addition, new and existing XS customers will benefit greatly from urban-gro's strong buying power, diversified service offerings backed by deep domain experience and credibility in our industry."

The Company continues to scale its syndication desk, providing XS with greater capital markets access to non-recourse and non-dilutive financing. David Kivitz, an officer and director of the Corporation, participated with a US\$200,000 investment. In total, the Company has syndicated over \$5.7M USD of its existing leases.

About urban-gro, Inc.

urban-gro, Inc.® (Nasdaq: UGRO) is a fully integrated architectural, engineering and cultivation systems integration company for commercial cannabis and food-focused indoor Controlled Environment Agriculture ("CEA") facilities. With experience in hundreds of CEA facilities spanning millions of square feet across the globe, we design, engineer and integrate complex environmental equipment systems into high-performance facilities. urban-gro's gro-care® Managed Services Platform leverages the company's expertise to reduce downtime, provide continuity, and drive facility optimization. Operating as a crop-agnostic solutions provider in both food and cannabis CEA sectors, our crop-focused end-to-end approach provides a single point of accountability across all aspects of growing operations. Visit [urban-gro.com](#) to discover how we help cultivators *gro plants* and *gro profits*.

To Inquire About Equipment System Financing Solutions for Your Commercial Cultivation Facility, reach out to urban-gro Financial Services via email (financing@urban-gro.com); or phone (720-390-3880).

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.

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