

XS FINANCIAL ANNOUNCES \$30 MILLION UPSIZED CAPEX FACILITY FOR PHARMACANN INC.

LOS ANGELES, CA, December 11, 2022 – XS Financial Inc. ("XS Financial", "XSF" or the "Company") (CSE: XSF) (OTCQB: XSHLF), a specialty finance company providing CAPEX and equipment financing solutions to cannabis companies in the United States, announced today that it has upsized its lease facility with PharmaCann Inc ("PharmaCann") up to \$30M. All amounts are in U.S. dollars.

Patrick Unzicker CFO of PharmaCann commented: "XS Financial is a great capital provider and distinguishes itself with deep industry knowledge with equipment financing solutions tailored to meet our needs. By financing through XS, PharmaCann is able to match the useful life of the equipment with the leasing term which optimizes our cost of capital and preserves our liquidity and other financing sources for other longer-term growth investments."

David Kivitz, CEO of XS Financial commented: "We are thrilled to expand our relationship with one of our longest-tenured customers (since 2019) as their needs have increased. PharmaCann currently operates in 8 states across the United States, and XS provides the equipment financing solution that has flexibility for their business while never charging non-utilization fees. As PharmaCann grows and scales, so do its infrastructure requirements. We expect more requests for large-scale CAPEX from the industry, including cultivation, manufacturing, and processing equipment and will finance more of these mission-critical items for qualified customers."

About PharmaCann

PharmaCann is one of the country's largest vertically integrated cannabis companies, providing safe, reliable, top quality cannabis products. The PharmaCann geographic footprint includes dispensaries and cultivation and processing operations in eight states. For more information about PharmaCann, please visit: PharmaCann.com.

About XS Financial

Founded in 2017, XS Financial specializes in providing CAPEX financing solutions to cannabis companies in the United States, including cultivators, processors, manufacturers and testing laboratories. In addition, XSF has partnered with over 250 original equipment manufacturers (OEM) through its network of Preferred Vendor partnerships. This powerful dynamic provides an end-to-end solution for customers which results 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". 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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