

## **XS FINANCIAL CLOSES UPSIZED \$39 MILLION CREDIT LINE WITH NEEDHAM BANK**

*XS closed its initial \$24 Million Credit Line with Needham Bank in August 2022 and receives \$15 Million Increase*

**LOS ANGELES, CA, December 22, 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 entered into an upsized \$39 million line of credit (“Credit Facility”) with Needham Bank increasing its commitment from \$20 million to \$35 million and remaining as the administrative agent. The remaining \$4 million is with an FDIC-insured bank participating in the Credit Facility. All figures are in US Dollars.

The Credit Facility has a term of two (2) years from its initial closing, maturing in August 2024. Loans made under the line of credit will bear interest at an annual rate equal to the Wall Street Journal Prime rate plus one percent (1.0%), with a floor of six percent (6%), and may be prepaid with no penalty at any time.

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

**David Kivitz, CEO of XS Financial commented:** “We are pleased to expand our partnership with Needham Bank, who is building one of the premier banking platforms for the U.S. cannabis market. This upsized Credit Facility provides XS Financial with significant financial resources to expand our market leading portfolio of equipment leases. Our ability to close this enhanced Credit Facility with Needham Bank with favorable pricing and terms speaks to our financial strength and the growing number of high-quality customers we support, including several of our industry’s largest companies. We are thrilled to continue funding our existing and target borrowers at scale for their critical expansion projects when other capital sources are slowing.”

**James Daley, SVP – Director Structured Finance of Needham Bank commented:** “We are thrilled that we can provide XS Financial with the funding they need to grow their portfolio through this amplified Credit Facility. It has been a great experience working with their team to update this line of credit, and I look forward to continuing to build our relationship with XS Financial.”

**Joseph Campanelli, Chairman, President & CEO of Needham Bank commented:** “At Needham Bank, we place a strong emphasis on building lasting customer relationships rather than simply completing transactions and our expanded relationship with XS Financial proves just that. This Credit Facility is a true testament to James’ and our lenders’ ability to understand a company’s unique needs and goals and tailoring a solution to support them.”

### **About Needham Bank**

Needham Bank offers an array of tech-forward products and services that businesses and consumers use to manage their financial needs. They have the financial expertise typically found at much larger institutions and the local knowledge and commitment found only at a community bank. Known as the “Builder’s Bank,” Needham Bank has been helping individuals, businesses and non-profits build for their futures since 1892. For more information, please visit <https://www.needhambank.com/>. Needham Bank is a member of FDIC and DIF.

### **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](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.*