

XS FINANCIAL BOARD AND MANAGEMENT VOLUNTARILY FORFEIT OVER 25 MILLION OPTIONS

LOS ANGELES, CA, March 20, 2023 – XS Financial Inc. ("**XS Financial**", "**XSF**" or the "**Company**") (CSE: XSF), a specialty finance company providing CAPEX equipment financing solutions to cannabis companies in the United States, announced that it has canceled a total of 25,023,888 stock options ("Cancelled Options") granted to certain officers, directors, and employees of the Company. The option holders voluntarily surrendered the Canceled Options for no consideration.

David Kivitz, CEO of XS Financial commented: "We are pleased to announce the board and management have approved a voluntary forfeiture of several tranches of previously granted options. We feel our share price has not reflected the strong and improving fundamentals in our business and therefore felt it appropriate to reduce previously awarded options granted to our board and management. Combined with 50,667,531 warrants which expired in March 2023, tied to our March 2021 Private Placement offering, our capitalization table has significantly improved for stakeholders."

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.

Neither the Canadian Securities Exchange nor its Regulation Services Provider accepts responsibility for the adequacy or accuracy of this release.