

XS FINANCIAL EXPANDS INTO NON-CANNABIS INDUSTRIES AND FORMS CAPITAL MARKETS DESK

LOS ANGELES, CA, May 16, 2023 – XS Financial Inc. ("XS Financial", "XSF" or the "Company") (CSE: XSF) (OTCQB: XSHLF), a leading equipment finance company to the cannabis industry in the United States, announced today its expansion into the broader market by extending its financing services to non-cannabis companies. XS Financial aims to utilize its expertise and proven execution capabilities, to support a more extensive array of businesses. This effort will be led by XS Financial's newly formed Capital Markets Desk through the purchase and discounting of mid to large-ticket equipment finance transactions from other institutional sources.

XS Financial has been committed to empowering established cannabis operators with customized equipment financing options, enabling them to acquire the essential equipment necessary for growing their operations regionally and nationwide. As a result, XS Financial has become the preferred choice for cannabis companies seeking flexible, non-dilutive equipment financing solutions at scale.

With weakening macroeconomic conditions, XS Financial is aggressively pursuing a large opportunity to provide financing as others tighten lending standards. Having successfully navigated the highly restrictive cannabis sector and its limited access to traditional financing, the company is well suited to grow its non-cannabis portfolio as market challenges persist in the coming years.

Jim Bates, Director of Credit and Risk for XS Financial commented: "We are leveraging our extensive expertise in structuring and underwriting complex credits and transactions, which has been honed through our work in the cannabis industry, to provide equipment financing solutions for similarly challenged and underserved credit profiles across a range of industries."

For more information on XS Financial's investment parameters for transactions we facilitate through capital markets, please reach out to Ken Senter at ksenter@xsfinancial.com or Jim Bates at jbates@xsfinancial.com.

About XS Financial

Established in 2017, XS Financial specializes in providing equipment financing solutions to both cannabis and non-cannabis companies across various industries in the United States. Over the years, XS Financial has partnered with more than 250 original equipment manufacturers (OEMs) through our network of Preferred Vendor partnerships. This robust ecosystem offers an end-to-end solution for clients, resulting in recurring revenues, strong profit margins, and a proven business model for XS Financial 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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