

XS FINANCIAL UPSIZES LEASE FACILITY WITH AYR WELLNESS UP TO \$21.4 MILLION WITH AN IMMEDIATE DRAWDOWN OF \$7.4 MILLION

LOS ANGELES, CA, July 21, 2021 – XS Financial Inc. ("XS Financial", "XSF" or the "Company") (CSE: XSF) (OTCQB: XSHLF), a specialty finance company providing equipment leasing solutions to cannabis companies in the United States, announced today that the Company has upsized Ayr Wellness ("Ayr" (CSE: AYR.A) (OTCQX: AYRWF) equipment lease facility from \$5.3 million, as previously announced on November 2, 2020, to \$21.4 million. All amounts are in U.S. dollars.

Ayr Wellness has fully utilized the original lease facility and, with its recent drawdown, has received a total of \$11.8 million across 21 lease schedules.

Brad Asher, CFO of Ayr Wellness, commented: "The XS team has done an outstanding job simplifying the process to acquire state-of-the-art equipment across our markets, allowing us to continue to achieve our mission of being the largest producer of high-quality cannabis at scale. The on-demand, non-dilutive financing that we can draw on as needed with no commitments or fees with unused availability provides our company with tremendous flexibility as we continue to scale to meet consumer demand for our offerings."

Antony Radbod, COO of XS Financial, commented: "We are pleased to support Ayr Wellness with their nationwide expansion and are thrilled to upsize our financing commitment. Following our initial lease, this upsized facility is a natural next step in a long-term relationship with Ayr Wellness and we look forward to supporting their growing needs as they advance their market-leading business in high-growth markets."

About Ayr Wellness

Ayr is an expanding vertically integrated, U.S. multi-state cannabis operator focused on delivering the highest quality cannabis products and customer experience throughout its footprint. Based on the belief that everything starts with the quality of the plant, the Company is focused on superior cultivation to grow superior branded cannabis products. Ayr strives to enrich consumers' experience every day through the wellness and wonder of cannabis. Ayr's leadership team brings proven expertise in growing successful businesses through disciplined operational and financial management, and is committed to driving positive impact for customers, employees and the communities they touch. For more information, please visit www.ayrwellness.com.

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.

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