

XS FINANCIAL CLOSES \$15 MILLION DEMAND TERM CREDIT WITH THE GARRINGTON GROUP OF COMPANIES INC.

LOS ANGELES, CA, September 28, 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 a newly formed wholly-owned subsidiary, incorporated as a special purpose vehicle for the purpose of funding new leases under the credit facility, has entered into a definitive two-year credit agreement with the Garrington Group of Companies Inc. (“**Garrington**”) for a secured drawdown term loan (“**Credit Facility**”) in the aggregate amount of up to \$15 million. All figures are in US Dollars.

Loans made under the Credit Facility will bear interest at an annual rate equal to Prime plus 8.5% per annum with a Prime Rate floor of no less than 3.25%. The loans made under the Credit Facility contain customary financial covenants for transactions of this type, including limitations with respect to indebtedness, liens, and disposition of assets. Subject to demand or an uncured event of default, the Credit Facility shall mature two years from the Closing Date.

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

David Kivitz, CEO of XS Financial commented: “We are pleased to be working with Garrington, who specializes in providing financing to specialized lenders like XS Financial. This credit facility provides XS Financial with greater financial flexibility and positions us for long-term success. Our ability to secure this facility with favorable pricing and terms speaks to both the improving fundamentals and credibility of XS Financial, and the growing number of high-quality customers we finance, including several of our industry’s largest companies. XS has now secured non-dilutive financing through its FDIC bank lender, our syndication desk, and now Garrington and utilizes each of these capital sources strategically to finance different leasing customers, manage portfolio concentration, and optimize the cost of capital to the Company, all in support of driving rapid and disciplined profit growth.”

Tammy Kemp, Chief Credit Officer of Garrington commented: “We are delighted with the relationship with XS Financial Inc. as they have truly been a great team to work with. This credit facility will allow them to continue to grow their business and set them up for long term continued success. We look forward to a collective, long-term rewarding partnership with XS Financial for many years to come.”

About the Garrington Group of Companies

Garrington was established in January 2019 as part of a greater blueprint to develop a leading North American loan origination, underwriting and operations platform: handling Asset Based Lending, Factoring, Equipment Finance, Lender Finance and Specialty Finance loans ranging from \$1 million to \$30 million. Garrington’s creation comes from its acquisition of Liquid Capital at the beginning of 2019.

Garrington recognizes the under-served market for small businesses attempting to secure working capital from traditional funding sources, based on the ever-increasing banking regulations governing the lending of money to smaller private and public companies. In addition, Garrington has identified, and is looking to capitalize from, the shift by alternative lenders away from smaller funding needs. Garrington’s collective vision is to become the premier alternative SME lender in North America, supporting entrepreneurial companies with creative and optimal lending solutions, while providing a source of capital to support SME business development in North America.

Further information can be found at www.garringtongroupco.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.