

XS FINANCIAL PROVIDES ADDITIONAL FINANCING TO SUPPORT CONTINUED GROWTH OF PHARMACANN

LOS ANGELES, CA, December 29, 2020 – XS Financial Inc. ("XS Financial", "XSF" or the "Company") (CSE: XSF) (OTCQB: XSHLF), a specialty finance company providing scalable equipment leasing solutions to cannabis and hemp companies in the United States, is pleased to announce that it has provided additional financing to PharmaCann Inc. ("PharmaCann"), increasing the \$3.4 million lease facility announced May 12, 2020, by \$1.5 million. All amounts are in U.S. dollars.

PharmaCann has fully drawn down the original \$3.4 million facility and has made all contracted payments to date. The additional \$1.5 million is XS Financial's 6th leasing schedule with PharmaCann, with approximately \$1.3 million designated for equipment recently sourced through XS Financial's Preferred Vendors. This latest schedule has a term of 48 months.

David Kivitz, CEO of XS Financial commented: "We are happy to continue to support PharmaCann – one of the largest vertically integrated cannabis companies in the country. The equipment recently purchased will be used in their operations in Pennsylvania and Illinois. Importantly, PharmaCann has a growing footprint in six states, including cultivation, manufacturing, distribution and retail locations, and we are well-positioned to grow alongside them as the partner of choice for all of their equipment financing needs."

About XS Financial

Founded in 2017, XSF specializes in providing equipment leasing solutions in the United States to owners/operators of cannabis and hemp companies, including cultivators, oil processors, manufacturers and testing laboratories. In addition, XSF provides a full range of consulting services including equipment selection and procurement, through its network of preferred vendor partnerships with original equipment manufacturers and equipment distributors. 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 common 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.