

XS FINANCIAL LAUNCHES SYNDICATION PLATFORM TO ACCELERATE CAPITAL DEPLOYMENT AND INCREASE LEASING PROFITABILITY

First syndication provides \$1 million in funds for redeployment

LOS ANGELES, CA, February 22, 2021 – XS Financial Inc. ("XS Financial", "XSF" or the "Company") (CSE: XSF) (OTCQB: XSHLF), an equipment finance and leasing company serving cannabis and hemp companies in the United States, announced today that the Company has launched its syndication platform, which will provide XS Financial with a broad range of non-dilutive financing options. The Company completed its first large-scale syndication with Kadens Family Holdings, LLC ("KFH"), the family office established by Pete Kadens, ex-CEO of Green Thumb Industries, Board Member of KushCo Holdings (OTCQX:KSHB) (and Choice Consolidation Corp. KFH and XS Financial entered into a series of lease syndications totaling \$1.0 million by entering into non-recourse promissory notes backed by the assignment of certain lease receivables.

Antony Radbod, COO of XS Financial, commented: "Adding lease syndication to our business model will allow us to accelerate our rate of capital deployment, enhance our returns and, fund more CAPEX in the capital-intensive cannabis sector. Our first syndication partner is Kadens Family Holdings, LLC. We are excited to partner with Pete and look forward to working together with his family office as we expand. We will add other strategic syndication partners as we continue to grow our high-quality lease portfolio already comprised of several large publicly traded multi-state operators."

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.

For inquiries please contact:

David Kivitz
Chief Executive Officer

Antony Radbod
Chief Operating Officer

Tel: 1-310-683-2336
Email: ir@xsfinancial.com

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.