

XS FINANCIAL POSTS RECORD YEAR WITH OVER \$108 MILLION IN TOTAL CAPEX FINANCING COMMITMENTS

420% increase in YoY Closed Lease Transactions and \$34.3 Million in Closed Leases

LOS ANGELES, CA, February 15, 2022 – 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, is pleased to announce the following updates as of the year ended December 31, 2021. All amounts are expressed in U.S. dollars.

Advancing its position as a leading CAPEX financing company to the legal U.S. cannabis industry, XS Financial is pleased to announce that for the year ended December 31, 2021, the Company completed \$34.3 million in new lease transactions, a 420% YoY increase. In addition, XSF closed on new commitments of \$106.3 million, a 549% YoY increase, which will significantly drive new lease transactions in 2022.

XSF also had a record year in 2021 for fundraising. In 2021, the Company raised a total of \$76.3 million, with a significant remaining portion currently available for deployment into new leases in the coming year. As a result, the Company anticipates a significant increase in new customers, funded leases, and additional commitments for 2022.

Year End 2021 Portfolio Highlights

	As of Q1/21	As of Q2/21	As of Q3/21	As of Q4/21
# of Active Leases	24	38	51	63
Total Closed Leases	\$10.5 million	\$22.1 million	\$34.1 million	\$41.5 million
Monthly Recurring Payments	\$0.3 million	\$0.6 million	\$1.0 million	\$1.1 million
Gross Lease Receivables	\$12.2 million	\$26.0 million	\$38.5 million	\$43.6 million

David Kivitz, CEO of XS Financial, commented: “On the back of a record year for the business, we are well-positioned for growth in the coming year. We have provided several of our largest customers increased commitments for their growth and are engaged in numerous discussions with several new prospective borrowers. We have recently added staff to our business development and credit review departments to enhance our growth trajectory while ensuring we maintain our turnaround times as our activity increases, which our customers and partners have come to rely upon. We are looking forward to 2022 which should be another banner year for the business.”

About XS Financial

Founded in 2017, XS Financial specializes in providing CAPEX financing solutions to cannabis companies in the United States, including cultivators, processors, manufacturers and testing laboratories. In addition, XSF has partnered with over 200 original equipment manufacturers (OEM) through its network of Preferred Vendor partnerships. 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 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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