

XS FINANCIAL ANNOUNCES THE APPOINTMENT OF STEPHEN CHRISTOFFERSEN AS ITS NEW CHIEF FINANCIAL OFFICER

LOS ANGELES, CA, August 17, 2022 – XS Financial Inc. (“XS Financial”, “XSF” or the “Company”) (CSE: XSF) (OTCQB: XSHLF), a specialty finance company providing CAPEX and equipment financing solutions to cannabis companies in the United States, announced today that Mr. Stephen Christoffersen has been appointed as Chief Financial Officer, replacing Mr. Nelson Lamb.

Mr. Christoffersen is an accomplished finance executive who has been a Board Member at XS Financial since May 2019. Since his time at XS Financial, he has helped create, launch, and capitalize the Company’s syndication desk and has been a member of the Audit, Investment and Compensation committees. Mr. Christoffersen has held executive officer positions with several exchange-listed issuers, including Western Acquisition Ventures (NASDAQ: WAVS) as CEO and Board Member of the special purpose acquisition company. He brings over 15 years of experience in capital markets, M&A, and operations, along with extensive experience in IFRS and US GAAP accounting. Previously, Mr. Christoffersen worked for KushCo Holdings Inc as CFO. During his time at KushCo, he led a business turnaround that included right-sizing headcount and operational footprint while focusing sales on the leading multi-state operators, which ultimately led to an acquisition by Greenlane Holdings (NASDAQ: GNLN). Mr. Christoffersen will continue to be a member of the XSF Board of Directors and serve as a member of the Company’s Investment committee.

Stephen Christoffersen, CFO and Board Member of XS Financial, commented: “I’ve had the privilege of watching XS execute quarter after quarter for the last 3+ years as a board member and investor in the Company. The pipeline continues to grow while the cost of capital continues to improve. I believe we are embarking on an era of institutionalization that will bring traditional capital market participants into the space and enhance our value proposition to customers and shareholders. The Company’s track record of raising non-dilutive capital reflects this paradigm, and it is appropriately capitalized and well-positioned to execute its business plan. I look forward to working with our management and executive team to expand our offering and maximize shareholder value.”

The Company thanks Nelson Lamb for his time served as CFO with XS Financial and wishes him well with future endeavors.

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 250 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.

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