

XS FINANCIAL PROVIDES A \$13 MILLION CAPEX LEASE FACILITY TO CONNECTED CANNABIS

LOS ANGELES, CA, September 13, 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 it has entered into a new lease agreement with Connected International Inc. ("Connected"), a vertically integrated California operator with additional operations in Florida and Arizona. All amounts are in U.S. dollars.

Connected has been approved for a \$13M CAPEX lease facility, with an immediate drawdown of over \$4.4M for a sale-leaseback and to purchase equipment with up to 60-month terms. This equipment acquisition will enhance the capabilities of existing processing facilities and buildouts for their California and Arizona operations.

Greg Fodell, VP of Corporate Development of Connected International commented: "This non-dilutive financing will accelerate Connected's ability to expand its highly sought products into new markets. Working with XSF was seamless and transparent. We were able to unlock capital from existing CAPEX investments via their sale-leaseback program, and their internal procurement team provided significant value-add throughout the process. XS has proven to be a great partner."

Antony Radbod, COO of XS Financial commented: "We are pleased to support Connected as they continue their expansion in California and Arizona and believe this funding will be a catalyst for their next phase of growth. Connected is a highly-recognized brand known best for their genetics and co-brand, Alien Labs. While the capital markets in our industry continue to be constrained, XS remains enthusiastic about the U.S. cannabis market, and supporting its operating leaders for all of their CAPEX financing needs."

About Connected International Inc.

Connected has been breeding, growing and selling the best cannabis in the world since 2009 through its Connected and Alien Labs brands. Co-founded by Caleb Counts, a master grower, with the mission of providing high-quality products paired with excellent customer service, the company has created a cult-like following and some of the most celebrated strains on the market. Today, Connected maintains a portfolio of proprietary top shelf products made in state-of-the-art grow facilities in both California and Arizona with additional operations in Florida. For more information, please visit us at www.connectedcannabisco.com.

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.

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