

XS FINANCIAL PROVIDES \$7.6 MILLION CAPEX FINANCING TO PHARMACANN INC

LOS ANGELES, CA, August 7, 2023 – 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 with PharmaCann Inc ("PharmaCann"), for \$7.6 million. All amounts are in U.S. dollars.

PharmaCann continues to deploy resources from its pre-existing \$30 million facility, announced on December 11, 2022, leveraging available capital to further drive growth within its business.

Patrick Unzicker, CFO of PharmaCann commented: "We highly value our long-term relationship with XS Financial as a financing partner for our strategic capital needs. This transaction provides funding to support PharmaCann growth plans in our eight state foot print."

Antony Radbod, COO of XS Financial commented: "We are thrilled to announce the successful closing of a new lease transaction with our esteemed, long-standing client, Pharmacann. This latest round of financing is a testament to XS Financials' commitment to the cannabis industry and reaffirms our steadfast dedication to the broader market. Amid the current capital-constrained climate, this transaction underscores our unwavering commitment to supporting top-tier operators in the cannabis industry."

About PharmaCann

PharmaCann Inc. is one of the nation's largest privately held, vertically integrated cannabis companies, providing safe, reliable, and high-quality cannabis products to people in both the medical and adult-use markets. The PharmaCann geographic footprint includes dispensaries and cultivation and processing operations in eight states. For more information about PharmaCann, please visit Pharmacann.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

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