

XS FINANCIAL CLOSES AMENDED \$70 MILLION SECURED CREDIT FACILITY

LOS ANGELES, CA, June 5, 2024 – 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 that it has amended and upsized its current \$54 million line of credit with Needham Bank ("Credit Facility") to \$70 million. All figures are in US Dollars.

Loans made under the line of credit will bear interest at an annual rate equal to the Wall Street Journal Prime rate plus one percent (1.0%) when the advance rate applied to eligible borrowing base receivables is < 65% and the Wall Street Journal Prime rate plus one and a half percent (1.5%) when the advance rate applied to eligible borrowing base receivables is between 65% and 75%. The amended Credit Facility has an extended term, expiring in June 2027, and may be prepaid with no penalty.

David Kivitz, CEO of XS Financial commented: "This Credit Facility provides XS Financial with additional resources to expand our market-leading portfolio of equipment leases. Our ability to close this Credit Facility with favorable pricing and terms in the current environment exhibits our financial strength and the high-quality customers we support, including several of our industry's largest companies. We are thrilled to continue funding our existing and target borrowers at scale for their critical expansion projects when other capital sources are slowing."

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.