

## XS FINANCIAL ANNOUNCES SECURITYHOLDER APPROVAL OF ARRANGEMENT

LOS ANGELES, CA – SEPTEMBER 9, 2024 – XS FINANCIAL INC. (CSE: XSF) ("XS" or the "Company") is pleased to announce that all requisite securityholder approvals were obtained at its general and special meeting held on September 9, 2024 (the "Meeting") in respect of the previously announced transaction pursuant to which XS Acquisition Portfolio LLC, an affiliate of a US alternative asset fund, will acquire all of the issued and outstanding subordinate voting shares ("SV Shares") and proportionate voting shares ("PV Shares") of XS, by plan of arrangement for a cash purchase price of Cdn\$0.05265 per SV Share and Cdn\$52.65 per PV Share (the "Arrangement").

The following approvals of the Arrangement were obtained at the Meeting:

<i>Description</i>	<i>Percentage of Votes in Favour</i>	<i>Percentage of Votes Against</i>	<i>Abstained</i>
Approval of at least 66 2/3% of the votes cast by holders of SV Shares at the Meeting, voting separately as a class	99.297%	0.703%	Nil
Approval of at least 66 2/3% of the votes cast by holders of PV Shares at the Meeting, voting separately as a class	100%	Nil	Nil
Approval of at least 66 2/3% of the votes cast by holders of SV Shares, PV Shares, outstanding stock options of XS ("Options") and outstanding share purchase warrants of XS ("Warrants") at the Meeting, voting together as a single class	99.62%	0.38%	Nil
A simple majority of the votes cast by holders of SV Shares at the Meeting, excluding votes from certain holders of SV Shares as required under Multilateral Instrument 61-101 ("MI 61-101")	99.253%	0.747%	Nil
A simple majority of the votes cast by holders of PV Shares at the Meeting, excluding votes from certain holders of PV Shares as required under MI 61-101	100%	Nil	Nil

The votes that were excluded under MI 61-101 above were those attaching to SV Shares and PV Shares held, directly or indirectly, by Messrs. David Kivitz, Antony Radbod and Justin Vuong, being an aggregate of 3,698,790 SV Shares, 19,681.645 PV Shares, 22,166,666 Options (on an as-converted to SV Share basis) and no Warrants (representing approximately 4.8% of all issued and outstanding SV Shares, approximately 75.2% of all issued and outstanding PV Shares, approximately 56.4% of all issued and outstanding Options and 0% of all issued and outstanding Warrants as of the date hereof).

Also at the Meeting, the shareholders of the Company approved (i) the setting of the number of directors of the Company at four; (ii) the election of David Kivitz, Antony Radbod, Gary Herman and Stephen Christoffersen as directors of the Company; and (iii) the appointment of Link-It Accounting and Financial Services Inc. as the auditor of the Company and the authorization of the directors to set the auditor's remuneration.

Subject to satisfaction of all remaining conditions precedent, the Arrangement will be effected by way of a court-approved plan of arrangement under Section 288 of the *Business Corporations Act* (British Columbia), and is expected to be completed on or about September 23, 2024. For further details of the Arrangement, please refer to the management information circular of the Company dated August 2, 2024 (the "Circular") in respect of the Meeting, and the press releases of the Company dated June 24 and August 29, 2024, each available at SEDAR+ online at [www.sedarplus.ca](http://www.sedarplus.ca).

### Additional Information

Completion of the Arrangement is subject to various conditions, including but not limited to, Canadian Securities Exchange acceptance as well as court approval. The Arrangement cannot close until the required regulatory and court approvals are obtained. There can be no assurance that the Arrangement will be completed as proposed or at all. Investors are cautioned that, except as disclosed in the Circular, any information released or received with respect to the Arrangement may not be accurate or complete and should not be relied upon. Trading in the securities of XS should be considered highly speculative. The Canadian Securities Exchange has in no way passed upon the merits of the proposed Arrangement and has neither approved nor disapproved the contents of this news release.

#### **About XS Financial**

Founded in 2017, XS specializes in providing CAPEX financing solutions to cannabis companies in the United States, including cultivators, processors, manufacturers, and testing laboratories. In addition, XS 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 XS 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](http://www.xsfinancial.com).

For inquiries please contact:

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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 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", "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, statements with respect to the transaction, including court, securityholder and other regulatory approvals, and expected timing for such approvals and other steps to be completed in connection with the transaction, including closing of the transaction.

Forward-looking statements and information are made based upon certain assumptions and other important factors that, if untrue, could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such statements or information. There can be no assurance that such statements or information will prove to be accurate. Such statements and information are based on numerous assumptions, including assumptions regarding the ability to complete the transaction on the contemplated terms and that the conditions precedent to closing of the transaction can be satisfied.

Although the Company believes that the forward-looking statements in this press release are based on information and assumptions that are current, reasonable and complete, these statements are by their nature subject to a number of factors that could cause actual results to differ materially from management's expectations and plans as set forth in such forward-looking statements, including, without limitation, the following factors, many of which are beyond the Company's control and the effects of which can be difficult to predict: (a) the possibility that the Arrangement will not be completed on the terms and conditions, or on the timing, currently contemplated, and that it may not be completed at all due to a failure to obtain or satisfy, in a timely manner or otherwise, all required court approvals and other conditions of closing necessary to complete the transaction or for other reasons; (b) the possibility of adverse reactions or changes in business relationships resulting from the announcement or completion of the transaction; (c) risks relating to the retention of key personnel during the interim period; (d) the possibility of litigation relating to the transaction; (e) risks related to the diversion of management's attention from the Company's ongoing business operations; and (f) other

risks inherent to the Company's business and/or factors beyond its control which could have a material adverse effect on the Company or the ability to consummate the transaction.

Readers are cautioned not to place undue reliance on forward-looking information or statements. By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes will not occur. Events or circumstances could cause the Company's actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements.

Investors should not rely on the Company's forward-looking statements and information to make decisions with respect to the Company. Furthermore, the forward-looking statements and information contained herein are made as of the date of this document and the Company does not undertake any obligation to update or to revise any of the included forward-looking statements or information, whether as a result of new information, future events or otherwise, except as required by applicable law. The forward-looking statements and information contained herein are expressly qualified by this cautionary statement.

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