

XTM Files Q1 2022 Quarterly Financial Results

Revenue Up 214% over Q1 2021

For Immediate Release

MIAMI, TORONTO, May 24, 2022 – XTM, Inc. (“XTM” or the “Company”) (QB: XTMIF / CSE:PAID / FSE:7XT), a Miami and Toronto-based Fintech innovator disseminating earned wages and providing gratuities access to service workers in the hospitality and personal care space, announced the filings of its quarterly unaudited condensed consolidated Financial Statements and Management Discussion and Analysis (“**MD&A**”) for Q1 2022 which shows, among other things, a 214% increase in revenue over Q1 2021.

Highlights include:

- Gross dollar value (“GDV”) loaded on the Company’s platform was just under \$70MM for the quarter with one month of full openings in hospitality. This was the highest quarter in the Company’s brief history, and an increase of 313% from just under \$17MM for Q1 2021;
- Active users on the Company’s Today™ program platform were just under 49K, an increase of 37K or 323% from 12K at the end of fiscal 2021 (an active user is classified as a user who has had a transaction on their card in the past thirty (30) days);
- During the quarter the Company successfully onboarded 224 new locations for its Tipstoday™ program;
- Revenue of \$797K for the quarter ending Q1 2022 was an increase of +\$543K or 214% compared to Q1 2021; this despite being under strict lock-down for indoor dining during January and February due to Covid-19 restrictions and the seasonality of the business with Q1 typically being the slowest quarter in the hospitality sector;
- Gross Profit was \$114K or 14.4% of revenue increased 56% or \$41K compared to \$73K or 28.8% of revenue for Q1 2021;
- Operating expenses were \$1,576K, an increase of 64% or \$612K compared to \$964K for Q1 2021 with the main driver being increase staffing and consulting fees to support the Company’s growth initiatives and US expansion;

Cash totaled \$6.4MM as at March 31, 2022, down -\$2MM from prior year-end total of \$8.4MM with the decrease attributable to funding operational requirements and issuance of a short term promissory note with repayment due June 30, 2022 of \$651,265 from a strategic partner.

Subsequent events in Q1 2022:

- In May 2022, the Company attended the Restaurant Canada Show held in Toronto Ontario, which is deemed the “Hospitality event of the year”, and the largest show of its kind in Canada. The Company presented the topics of “Recruitment and Retention of Labour” with a panel featuring its Head of Business Development along with

other industry experts and “Motivate and Retain Employees with Same Day Pay and Gratuity Access” hosted by its VP and Senior Executive of Sales;

- In April 2022, the Company appointed Veer Siddiqui as its Chief Operating Officer (“COO”) and General Counsel. Establishing the COO role and bringing counsel in-house signifies an important turning point in the Company’s maturity cycle, and further solidifies the solid management foundation it has created to aid in driving significant growth as it enters the US market and continues to sign global hospitality organizations on its Today platform;
- In April 2022, the Company ended negotiations pertaining to a strategic acquisition it had been pursuing due to the targets inability to 1) satisfy due diligence requirements and 2) agree to a financing structure in light of market conditions that was acceptable to the Company and investment community. The Company has pivoted, through alternate partner integrations, to develop solutions to address the market this acquisition would have targeted.

“We are in this to win it,” said Marilyn Schaffer, CEO of XTM. “Our goal is to come through this market correction bigger, better and stronger demonstrating our strategic use of resources with a goal of delivering the best ROI for our financiers and shareholders.”

A comprehensive discussion of XTM’s financial position and results of operations is provided in the Unaudited Condensed Consolidated Financial Statements and MD&A for the periods ending March 31, 2022, and 2021, filed on SEDAR.

About XTM

XTM, www.xtminc.com, is a Miami and Toronto-based fintech innovator in the neo-banking space, helping businesses and service workers in the hospitality and personal care space disseminate and access earned wages and gratuities. XTM's Today™ Solution, comprised of a free mobile app and a Visa or Mastercard debit card with free banking features, is used by thousands of restaurants, salons and staff across Canada and the United States. XTM is a global card issuer and real-time payment specialist, and our technology is used by Restaurants and Salons at no charge to automate and expedite worker payouts and eliminate cash from their ecosystems. XTM's Today solution drives enterprise value with efficiency and a bespoke user experience designed specifically for restaurateurs and personal care services.

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This news release contains “forward-looking information” and “forward-looking statements” within the meaning of applicable securities laws (the “forward-looking statements”), within the meaning of applicable Canadian securities legislation, including expected performance of XTM, the expectation that businesses with which XTM does business or have committed to do business will in the expected timeline, the continuing trend toward electronic payment methods, the success of XTM’s intended geographic and business expansions, the success of XTM’s new market relationships, and the general conditions and revenues of XTM. Forward-looking statements are statements that are not historical facts and are generally, although not always, identified by words such as “expect”, “plan”, “anticipate”, “project”, “target”, “potential”, “schedule”, “forecast”, “budget”, “estimate”, “intend” or “believe” and similar expressions or their negative connotations, or that events or conditions “will”, “would”, “may”, “could”, “should” or “might” occur. All such forward-looking statements are based on the opinions and estimates of management as of the date such statements are made. These forward-looking statements are made as of the date of this news release. Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the future circumstances, outcomes or results anticipated in or implied by such forward-looking statements will occur or that plans, intentions or expectations upon which the forward-looking statements are based will occur.

The CSE has not approved nor disapproved the contents of this press release, and the CSE does not accept responsibility for the adequacy or accuracy of this release.