

XTM Inc. Announces Change of Auditor From RSM Canada LLP to MNP LLP

MIAMI & TORONTO--(BUSINESS WIRE)--July 18, 2023--XTM Inc. (“**XTM**” or the “**Company**”) (QB:XTMIF / CSE:PAID / FSE:7XT), a Miami and Toronto-based Fintech creator of disruptive payment innovations including fully certified Earned Wage Access through its QRails AnyDay™ product, announces that it has changed its auditors from RSM Canada LLP (“**Former Auditor**”) to MNP LLP (“**Successor Auditor**”) effective June 30, 2023.

At the request of the Company, the Former Auditor resigned as the auditor of the Company effective June 30, 2023 and the Company’s board of directors, on the recommendation of its Audit Committee, appointed the Successor Auditor, MNP LLP, as the Company’s auditor effective June 30, 2023, until the next annual or special meeting of the Company’s shareholders. The Successor Auditor had previously acted as the Company’s auditor, prior to the appointment of the Former Auditor.

There were no reservations in the Former Auditor’s audit reports for any financial period during which the Former Auditor was the Company’s auditor. The Company confirms that there were certain “reportable events” (as the term is defined in National Instrument 51-102 - *Continuous Disclosure Obligations* (“**NI 51-102**”)) between the Company and the Former Auditor in respect of which the Company disagreed and the Former Auditor was unable to reach a conclusion as to the respective matter’s implications before June 30, 2023. Please refer to the letter from the Former Auditor for further information respecting such reportable events.

The Company, as well as its board of directors and audit committee, disagree with the reportable events set out by the Former Auditor and are of the view that the Former Auditor was unable or unwilling to complete the audit of the Company’s annual financial statements prior to the Former Auditor’s resignation in accordance with its mandate. The Company has discussed the reportable events with the Successor Auditor and does not believe that any of the reportable events will cause a qualified opinion in respect of the Company’s financial statements, when filed.

In accordance with NI 51-102, the notice of change of auditor, together with the required letters from the Former Auditor and the Successor Auditor, have been reviewed by the Company’s Audit Committee and filed on SEDAR.

The Company is confident that the Annual Documents and Interim Documents will be filed within ten days, as the Success Auditor has been engaged and has nearly completed all required steps in respect of the audit of the Annual Documents.

“We are confident that we are on track to align XTM and get it back to a systematic financial reporting cadence with MNP,” said Marilyn Schaffer, CEO, XTM. “Complexity is inherent to the payments model and MNP knows the space well. We worked with MNP in the past and we are engaged to work with them again, for the long term.”

The Company will not file its annual audited financial statements, annual management's discussion and analysis and related certifications for the year ended December 31, 2022

(collectively, the "**Annual Documents**") due to the change of auditor and audit requirements resulting from increased transaction volume experienced by the Company. In addition to the late filing of the Annual Documents, the Company will not file its interim financial statements, management's discussion and analysis and related certifications for the three-month financial period ended March 31, 2023 (the "**Interim Documents**"). It is expected that the securities of the Company will be cease traded on July 18, 2023 until such time as the Annual Documents and the Interim Documents are filed.

About XTM

XTM, www.xtminc.com, is a Miami and Toronto-based fintech innovator founded in the cloud-banking space to further support businesses inspire their workforce in the hospitality, personal care and services staffing industries. Established as a leader in on-demand pay with many large brands including Earls, Maple Leaf Sports & Entertainment, Cactus Club, Marriott Hotels and Live Nation, XTM continues to innovate with further digital featurization to support businesses to inspire workers to want to work more with shift scheduling and call-outs, staff management, expense management, in-app health and financial wellness; and gamified loyalty programs. XTM's Today Financial™ is in use through POS and Payroll integrations and directly through web-portals by thousands of businesses and their workers across Canada and the United States.

About QRails / AnyDay

QRails is a fully owned subsidiary of XTM. A cloud-based, API-driven issuer-processor QRails enables payroll providers, financial institutions and other global fintech companies to keep up with the on-demand economy by delivering innovative digital payment solutions to their employees. QRails helps companies modernize and leverage payroll as a differentiator in attracting and retaining talent all at low to no cost for the employee and employer. QRails' flagship solution, AnyDay™, is the first provider to own their full tech stack that powers their Earned Wage Access solution.

Founded in 2016, QRails, Inc., together with its U.K. subsidiary, QRails Limited is SAP-certified, QRails also has earned several industry certifications under PCI DSS, and SOC. For more information, please visit www.QRails.com.

Contacts

For further information please visit www.xtminc.com or contact:

XTM INC.

Marilyn Schaffer, CEO

finance@xtminc.com

416-260-1641