

XTM Inc.

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www.XTMINC.com

Management's Discussion and Analysis

For the periods ended March 31, 2023 and 2022

(This Management Discussion and Analysis, prepared by management, has not been reviewed by the Company's external auditor)

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INTRODUCTION

This Management's Discussion and Analysis ("MD&A") prepared as of August 3rd, 2023, reviews the financial condition and results of operations of XTM Inc. (the "Company" or "XTM") for the period ended March 31, 2023 and all other material events up to the date of this report. The following discussion should be read in conjunction with a) the annual audited consolidated financial statements and related notes for the year ended December 31, 2022, and b) unaudited consolidated condensed interim financial statements for the three months ended March 31, 2021 together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. These statements can be found under the Company's profile on SEDAR at www.sedar.com.

This MD&A has been prepared in compliance with the requirements of section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. The Company's unaudited consolidated condensed interim financial statements and the financial information contained in this MD&A have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretation Committee ("IFRIC") All dollar amounts are in Canadian dollars, unless otherwise noted.

The Company's certifying officers are responsible for ensuring that the audited consolidated financial statements and MD&A do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading considering the circumstances under which it was made. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of XTM's Subordinate Voting Shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates the materiality in this regard referencing all relevant circumstances, including potential market sensitivity. The Company's directors certify that the audited consolidated financial statements and MD&A present, in all material respects, the financial condition, results of operations and cash flows, of the Company as the date hereof.

ACCOUNTING PERIODS

The following Management's Discussion & Analysis ("MD&A") is based on information in the unaudited condensed consolidated interim financial statements and accompanying notes thereto for the period ended March 31, 2023. Comparative amounts in the unaudited condensed consolidated interim financial statements and accompanying notes thereto are for the period ended March 31, 2022, and year-ended December 31, 2022.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain sections of this MD&A may contain "forward-looking statements" within the meaning of applicable securities legislation. All statements, other than statements of historical fact, made by the Company that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", or the negative of those words or other similar or comparable words. Forward-looking statements may

relate to the Company's future financial conditions, results of operations, plans, objectives, performance or business developments. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements.

There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements are provided for the purpose of providing information about management's expectations and plans relating to the future. All of the forward-looking statements made in this MD&A are qualified by these cautionary statements and those made in our other filings with applicable securities regulators in Canada. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.

CORPORATE OVERVIEW

The Company's main business is as a fintech innovator disseminating earned wages, gratuities, and expense reimbursements to workers primarily in the hospitality, personal care, and food delivery space, but as of late entering new verticals that can also benefit from its solution. XTM is the originator of the Today™ program, a bespoke software solution specifically designed for restaurateurs, personal care service providers, food delivery operators, and other establishments with a similar need to provide staff with funds in near real-time. It is comprised of a Today wallet accessible via the internet or by a free mobile app, and a companion Visa or Mastercard debit card with free banking features. Currently the solution is used by thousands of locations and their staff across Canada, and is now entering the United States.

The head office, principal address, and registered office of the Company is located at 67 Mowat Avenue, Suite 437, Toronto, Ontario, Canada, M6K 3E3 and the United States office is located at 1221 Brickell Ave Suite 900 Miami, FL. 33310.

During the years ended December 31, 2022, 2021, and 2020, there was a global outbreak of COVID-19, which has had a significant impact on businesses through the restrictions put in place by the Canadian federal, provincial, and municipal governments regarding travel, business operations and isolation/quarantine orders. The start of the Russia/Ukraine War and ensuing global uncertainty especially as it relates to financial markets resulted on June 13, 2022, the MSCI ACWI index, which tracks stock prices from both emerging and developed markets, officially slipping into a bear market, falling 21% from a mid-November peak. It is not possible to reliably estimate the length and severity that the bear market will have on the financial results and condition of the Company in future periods.

RECENT EVENTS

The following notable events occurred after the period covered by the Company's 2022 year end audited consolidated financial statements and MD&A:

- The Company brought to market several new products over the past 6 months including:

- Early Wage Access (“EWA”): By immediately capitalizing on its relationship with QRails, the Company is quickly launching the QRails AnyDay™ <https://anydayispayday.com/> solution across Canada. By doing this, the Company is able to deliver a fully compliant, payroll integrated, single source, EWA solution. This uniquely positions the Company to provide Employers with operations in Canada and the US one integrated solution for their organizations.
- Today Wellness: Through its partnership with CloudMD Software & Services Inc. announced on May 11, 2023, the Company launched virtual healthcare access to its Today Program members. The Company begins piloting the program August 1, with plans for a full roll out before the end of Q3, 2023.
- Timely: Through its partnership with BookJane announced December 19, 2022, the company was able to bring market a workforce management platform specifically tailored to the needs of hospitality and staffing organizations. Breakaway Staffing <http://breakawaystaffing.ca/> with People 2.0 began piloting the platform in Sep 2023 with further onboardings planned before the end of Q3, 2023.
- Today Boost: The ability for mobile app users to advance up to \$50 when needed to assist in managing cashflows. The program, which charges a nominal monthly subscription entered pilot in February 2023 with plans for a full roll out in Q4 2023.

In addition to this, the Company also moved its main product, Today Financial, to a paid subscription model from the previous free model. The Company began signing new clients to the tiered subscription model in March 2023, while renewing existing client contracts on the paid model beginning in May 2023.

- On June 30, 2023, the Company filed a “Notice of Change of Auditor” following the decision to change its auditor from RSM Canada LLP (the “Former Auditor”) to MNP LLP (the “Successor Auditor”). The Former Auditor submitted their resignation at the Company’s request effective July 14th, 2023, and the Successor Auditor was appointed as the new auditors of the Corporation effective June 30, 2023. The change was a result of the Company determining the former auditor did not have the requisite knowledge of the payments and neo financial industry, and as such was not going to be able to meet the extended timeline granted to the Company by the OSC.
- On June 15, 2023, the Company announced it had entered into a definitive agreement (the “Purchase Agreement”) to acquire (the “Transaction”) all the issued and outstanding securities of QRails Inc. (“QRails”). The securities of QRails will be acquired from its current shareholders (the “Sellers”) for total consideration of US\$3,500,000, consisting of US\$100,000 in cash with the remaining US\$3,400,000 to be paid through the issuance of common shares. The Transaction is expected to close on or about July 22, 2023, subject to reporting timelines and customary closing conditions. Further details can be found in the Company’s annual audited consolidated financial statements for December 31, 2022.
- On May 19, 2023, the Company announced its intent to acquire QRails Inc. an issuer-processor and America’s only fully SAP certified EWA providers https://store.sap.com/dcp/en/product/display-0000060604_live_v1/anyday. Its vertical integration is a significant competitive advantage for QRails making it a favored solution for large Fortune 100 Employers such as Alight
- On May 11, 2023, as part of the Company’s intent to eventually acquire QRails, both parties entered into a debt agreement in the form of a promissory note (the “Note”) and accompanying general security agreement in which XTM agreed to provide QRails bridge financing that is non-interest bearing so long as the parties are exclusively negotiating the form and substance of a potential acquisition of QRails by XTM. The purpose of the Note is to satisfy working capital requirements of QRails Inc. while the two companies’ negotiation acceptable terms for a potential acquisition. As at July 17, 2023, the Company

has advanced \$1,937,000 under the terms noted above. Further details can be found in the Company's annual audited consolidated financial statements for December 31, 2022.

- On May 2, 2023, the Company was granted a management cease trade order ("MCTO") related to it not meeting its filing deadline for its audited annual financial statements, management's discussion and analysis and related certifications for the financial year ended December 31, 2022 (collectively, the "Issuer Statements"), as required under applicable Canadian securities laws. The initial MCTO provided the Company a 60 day filing extension which was later further extended to July 17, 2023.
- On April 28, 2023, the Company announced it was completing a non-brokered private placement of convertible debentures of the Company (each, a "Convertible Debenture Units") at a price of US\$1,000 per Convertible Debenture Unit for gross proceeds to the Company of up to US\$5,000,000 (the "Offering"). Each Convertible Debenture Unit will be comprised of US\$1,000 principal amount of unsecured convertible debenture ("Convertible Debenture") and 1,000 common share purchase warrants (a "Warrant"). As at July 17, 2023 the Company has received subscriptions totalling \$3.1MM CAD.
- In April of 2023, the Company hired a SVP, Operations, Michael Li. Michael holds a CPA designation and was most recently with Ontario Lottery and Gaming Corporation. Michael is driving for efficient operations while optimizing current infrastructure for revenue scale.
- In March 2023, the Company hired a its first Chief Revenue Officer (CRO), Cary Strange, a seasoned payments executive and board member / advisor to early-stage tech companies, to lead its expansion efforts into the US market through the acquisition of QRails. Cary's in-depth knowledge of earned wage access products and their delivery will accelerate XTM's time to market and time to revenue.

HIGHLIGHTS FOR Q1 2023

The Company views the revenue, increased active user base, and GDV achievements as a clear sign of continued positive momentum in the hospitality space even though economic headwinds are putting a strain consumer discretionary spend. Revenue of \$1.4MM in Q1 2023 was the highest on record for the Company even though seasonally the first quarter of the year sees lower foot traffic and subsequent gratuities earned compared to the rest of the year.

- Gross dollar value ("GDV") loaded on the Company's platform was \$143.0MM for the quarter. This was the highest quarter in the Company's brief history, surpassing \$138.5MM in Q4 2022 and an increase of 105% from \$69.8MM in Q1 2022;
- Current Active users at the end of March 2023 (defined as wallet holders that completed a minimum of one transaction in a current month) on the Company's Today platform totalled 73K, an increase of 24K or 50% from 49K for Q1 2022, and an increase of 6K or 9% from year end 2022. Total Active Users (defined as a Today wallet holder with at least one transaction in the past 6 months) increased to 111K at the end of Q1 2023 from 67K at the end of Q1 2022;
- Revenue was \$1.4MM for the quarter. Q1 2023 was the strongest quarter for revenue since the Company's inception, increasing \$631K or 79% compared to Q1 2022, and \$245K or 21% compared to Q4 2022;
- Gross Profit was \$175K or 12% of revenue for the quarter; this compares to \$114K or 14% of revenue for Q1 2022;

- Operating expenses were \$1,848K for the quarter. Q1 2023 saw an increase of 17% or \$272K compared to \$1,576K for Q1 2022 with the main driver being increase staffing, consulting fees, and marketing expenses to support the Company's product and market expansion initiatives;
- Net loss was \$1,890K for the quarter. Current quarter net loss increased compared to a net loss of \$1,524K for Q1 2022 mainly due to investments in new technology, write downs due to fraud activity, and new hires to support growth expansion to new verticals;
- Cash totaled \$1.1MM at March 31, 2023, down \$1.6MM from 2022's year end total of \$2.7MM with all of the \$1.6MM reduction being used to fund operations;
- Working capital of the Company was negative \$0.8MM at March 31, 2023, a decrease of \$1.8MM compared to working capital of \$1.1MM at December 31, 2022, with the decrease due mainly to cash used in operations;

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SUMMARY OF ANNUAL RESULTS

KEY PERFORMANCE INDICATORS AND NON-IFRS MEASURES

The key performance indicators (“KPI’s”) and non-IFRS measures for the Company are gross dollar value load (“GDV”), Current Active Users, and Total Active Users. The Company’s success will be measured by its growth in revenue from one reporting period to the next and is directly a result of increased dollar value transacted through its platform. Revenue growth is dependent on the Company continuing to sign on new hospitality locations, increase the percentage of GDV used for POS transactions, and the addition of new products to enhance current programs.

QUARTERLY RESULTS

The following table summarizes information derived from the Company’s unaudited condensed consolidated financial statements as well as KPI’s the Company uses to assess performance, for each of the eight most recently completed quarters:

Quarter Ended	Financial Results					Key Performance Indicators		
	Revenue	Cost Of Sales	Gross Profit	Net Income (loss)	Net Income (loss) per share	GDV	Current Active Users (past month)	Total Active Users (past 6 months)
Statement of Loss and Comprehensive Loss	\$	\$	\$	\$	\$	\$MM's	#	#
March 31, 2023	1,427,933	1,252,467	175,466	(1,890,399)	(0.01)	143.0	72,976	111,207
December 31, 2022	1,183,480	969,945	213,106	(2,049,938)	(0.01)	138.5	67,179	101,404
September 30, 2022	1,467,995	1,162,164	305,831	(1,820,941)	(0.01)	137.3	64,020	87,303
June 30, 2022	1,286,058	988,971	297,087	(1,871,005)	(0.01)	116.5	57,790	82,626
March 31, 2022	796,623	682,239	114,633	(1,524,265)	(0.01)	69.8	48,767	66,566
December 31, 2021	743,924	752,185	(8,261)	2,054,794	(0.01)	65.2	40,997	76,576
September 30, 2021	861,326	471,690	389,636	(982,379)	(0.01)	48.7	25,182	nm
June 30, 2021	396,742	220,753	175,989	(942,215)	(0.00)	23.1	15,982	nm

⁽¹⁾ See “Definitions – IFRS, Additional GAAP and Non-GAAP Measures”;

⁽²⁾ “nm” stands for “not measured”

ANALYSIS OF FINANCIAL PERFORMANCE

NET LOSS AND COMPREHENSIVE LOSS

Net loss and comprehensive loss for Q1 2023 was \$1,890K compared to a net loss of \$1,524K for Q3 2022. The increased loss of \$366K is attributed to higher operating expenses of \$273K, mainly in staffing (employees and sub-contractors) and to a lesser extent “Consulting” and “Office and General”, as the Company continues its rapid expansion in Canada while also building out its infrastructure in the US market, and a \$210K write down in other expenses associated with e-transfer fraud on the Company’s legacy platform. Partially offsetting this is incremental gross profit of \$92K.

REVENUE AND GROSS PROFIT

Gross Dollar Value (“GDV”) of \$143.0MM for Q1 2023 increased by \$73.2MM or 105% from \$69.8MM for the prior year quarter. The increase is a result of significant growth in the number of clients and associated active users added to the Today program over the preceding 12 months coupled with the complete removal of COVID-19 restrictions in the hospitality sector; the latter resulting in higher foot traffic which in turn yielded higher GDV per client and active user.

Revenue for Q3 2023 totaled \$1,428K, an increase of \$796K or 79% from \$797K for the prior year quarter. Of the Company’s three revenue streams, Transaction revenue was the main driver, increasing by \$738K, while Card revenue decreased by \$58K; Program management revenue was down \$49K.

Transaction revenue which consists of interchange resulting from point of sale transactions (“POS”), out of network ATM withdrawal fees, and electronic transfer fee’s, totaled \$1,276K for Q1 2023, an increase of \$738K or 137% from \$538K for the prior year quarter. The increase is due to higher GDV loaded on the Company’s *Today Financial* platform and the associated transaction growth as cardholders move funds off their mobile wallets. This growth resulted from the Company growing its active user count by 50%, going from 49K at the end Q1 2022 to 73K at the end of Q1 2023.

Card issuance revenue which consists of revenue from the purchase and shipping of *Today Financial* debit cards to the clients for use by their employees totaled \$118K for Q1 2023, an decrease of \$58K from \$176K for the prior year quarter. The Company change in the Company’s recognition card revenue over the life of the contract, on a comparative basis, Card revenue increased 76% or \$133K resulted from the increase in the number of active locations and associated cardholders in the quarter, and an increase in average card selling price from \$7.48 to \$8.48 per card. The Company’s main vertical is hospitality which has a high annual staffing turn over rate; as cards are tied to individuals and therefore are not transferable, card sales to existing clients create recurring demand (cards for new employees and replacement cards for existing) which is a material component of overall card purchases.

Program Management revenue which consists of licensing of the Company’s technology to adjacent markets and customized program fee’s, totaled \$34K for Q1 2023, a decrease of \$49K or 59% from \$83K for the prior year quarter. The decrease is a result of the Company winding down legacy bespoke programs in favour of focusing development and support on the core business of gratuity and wage payments. In Q1 2023, the Company recognized \$7K in non-recurring platform support revenue as part of transitioning one of the two remaining programs from its legacy 1.5 platform to the *Today Financial 2.0* platform.

Gross Profit for Q1 2023 totaled \$175K or 12% of revenue, an increase of \$61K or 53% from \$114K or 14% of revenue in for the prior year quarter. The increase in gross profit is a result of increased revenue, while the decrease in profit percentage due mainly to increased processor and network costs in Q1 2023 associated with an industry wide increase in card fraud pertaining to merchant processing transactions.

OPERATING EXPENSES

Total operating expenses for Q1 2023 were \$1,848K, an increase of \$272K or 15% from \$1,576K in the prior year quarter. The main driver for the increase is higher salaries and consulting fees resulting from increased headcount. Operating expenses of the company consist of:

Salaries and employee benefits were \$1,027K for Q1 2023 compared to \$767K for Q1 2022. The increase of \$260K is primarily a result of increased staffing, from 30 at the end of Q3 2021 to 42 at the end of Q1 2023. The Company added additional resources to sales, client success, engineering, and product development in the latter half of 2022 and Q1 2023 to manage volume growth, increase the number of new products and time to market, and to actively diversify its client base by adding dedicated salespeople to verticals outside hospitality. The Company also experienced an increase in salaries in some positions in the quarter, the full impact of which will be realized in subsequent quarters.

Consulting fees were \$272K in Q1 2023 compared to \$224K for the prior year quarter. The increase of \$48K is due to higher contract labour hours in engineering and an additional contract resource in finance to support projects to enhance reporting and analytics capabilities. The Company reviews staffing requirements and reliance on contract labour quarterly, and adjusts based on labour market and projected work load requirements.

Professional fees were \$90K for Q1 2023 compared to \$197K for the prior year quarter. The decrease of \$107K due mainly to a \$65K reduction in legal fees incurred as the Company settled two outstanding litigations in the latter part of 2022, \$27K reduction in audit fee's as Q1 2022 included overage costs pertaining to the 2021 audit, and a \$20K reduction in recruitment costs as the Company reduced its reliance on agencies.

Stock based compensation was \$31K for Q1 2023 compared to \$21K for the prior year quarter. The increase of \$10K is due to the amount and value of outstanding options and RSU's exceeding that in the prior year quarter, and increased directors compensation due to the addition of a fourth board member in October 2022 (previously 3 members).

Marketing and promotion was \$115K for Q1 2023 compared to \$49K for the prior year quarter. The increase of \$66K is due to increased spend of \$56K on card holder communications (which is a function of a growing user count) with the remainder spread across marketing events and collateral.

Office and General was \$140K for Q3 2022 compared to \$46K for the prior year quarter. The increase of \$94K is mainly a result of a \$37K increase in insurance premiums due to higher transaction volume and annual rate increases, penetration and security testing of \$30K to drive enhancements in fraud detection and prevention, and an increase of \$24K for software subscriptions as the Company has expanded tools used to support project management, analytics, and product development.

Public company and regulatory was \$92K for Q1 2023 compared to just under \$221K for the prior year quarter. The decrease of \$128K is due a \$154K decrease in Investor Relations spend pertaining to awareness and outreach activities. This was partially offset by an increase in equity plan administration costs of \$17K as the plan which is administered by TMX was not put in place until May of 2022, and an additional \$9K in regulatory and filing costs.

Depreciation and amortization was \$47K for Q1 2023 compared to \$44K for the prior year quarter, or largely flat year over year.

Bank charges, interest and accretion was \$13K for Q1 2023 compared to \$9K for the prior year quarter. The increase of \$4K is associated with merchant processing fee's as the Company transitioned a significant portion of card sales to credit card payment from invoicing.

Travel, meals, and entertainment was \$14K for Q1 2023 compared to \$12K for the prior year quarter or largely flat year over year.

Bad debt and expected credit loss (“ECL”) was \$5K for Q1 2023 compared to a recovery of \$15K in the prior year quarter. The prior year recovery was mainly a result of the Company settling a receivable for licensing fee’s for \$200K USD by converting to an equity investment on March 28, 2022 (Calicard); this was not replicated in Q1 2023.

OTHER INCOME

Other expense (income) for Q1 2023 was \$217K compared to \$63K for the prior year quarter. The current year expense is a result of e-transfer fraud on the Company’s legacy platform in February 2023. The Company has filed the appropriate police reports and is attempting to recover the funds but has chosen to take a 100% provision at this time. The prior year expense pertained to legal and professional fees associated with a acquisition activity the Company chose not to consummate.

ASSETS

Cash as at March 31, 2023 was \$1,080K compared to \$2,688K at December 31, 2022. The decrease of \$1,607K is a result of cash consumed to fund operating activities.

Trade and other receivables as at March 31, 2023 were \$1,373K compared to \$751K at December 31, 2022. The increase of \$622K is mainly due to a \$598K increase in fraud credits issued by the Company to cardholders in advance of the underlying card network providing reimbursement. The credits increased as a result of an industry wide increase in debit and credit card transaction related fraud activity in the Canadian market.

Prepaid expenses as at March 31, 2023 were \$375K compared to \$287K at December 31, 2022. The increase of \$88K is due to a \$100K pre payment made to a strategic partner for licencing of workforce management software offset partially by reductions to software subscriptions and insurance premium prepayments.

LIABILITIES

Trade and other payables as at March 31, 2023 were \$1,378K compared to \$1,288K at December 31, 2022. The increase of \$90K correlates with the increase in operating expenses and cost of sales expenses.

Unearned revenue as at March 31, 2023 was \$667K compared to \$464K at December 31, 2022. The increase of \$203K is attributed to the Company recognizing its Card revenue across the life of its customer contracts which can range from 1 to 3 years.

SHAREHOLDERS EQUITY

Shareholders equity as at March 31, 2023 was \$358K compared to \$2,187K at December 31, 2022. The decrease of \$1,829K is due to an increase in accumulated deficit of \$1,915K associated with the current quarters net loss and comprehensive loss. Partially offsetting this is an increase of \$35K in share capital mainly attributed to the exercise of options in Q1 2023.

RESTRICTED CASH AND CLIENT DEPOSITS

Acting as a paying agent, the Company had \$48.9MM in restricted funds on deposit (December 31, 2021 - \$51.3MM) and corresponding liabilities for client and cardholder balances as at March 31, 2023 of \$51.0MM (December 31, 2021 - \$52.5MM). Restricted cash consists of cash balances held in individual client wallets which are on deposit in custodial accounts controlled by the company for the sole benefit of the client, and cardholder balances resulting from the transfer of funds by the client from their respective wallet(s) to a card which are on deposit in settlement accounts controlled and subject to restrictions imposed by the card program sponsoring bank.

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

WORKING CAPITAL

Working capital of the Company as at March 31, 2023 was (\$816K) compared to \$972K at December 31, 2022. The decrease of \$1,789K is a result of a lower ending cash balance due mainly to funding Q1 2023 operational requirements.

RISK FACTORS AND UNCERTAINTIES

Please refer to the Company's audited annual consolidated financial statements for the year ended December 31, 2022.

NEW ACCOUNTING PRONOUNCEMENTS

Please refer to the Company's unaudited condensed consolidated interim financial statements for the period ended March 31, 2023, and the year ended December 31, 2022.

DEFINITIONS – IFRS, ADDITIONAL GAAP AND NON-GAAP

IFRS MEASURES

Cost of sales

Cost of sales consists of expenses related to servicing the customers instant pay and mobile banking solutions. These expenses include interchange and related network fees, ATM (Automated Teller Machine) fees, card set-up / printing / shipping costs, and customer support expenses for resources directly associated with the cost of services.

Gross profit and gross profit margin

Gross profit is net revenue less cost of sales while gross profit margin is gross profit divided by net revenue.

ADDITIONAL GAAP MEASURES

Professional fees

Professional fees consist of expenses the Company incurs in the normal course of business to procure the services of individuals or businesses highly skilled in a particular field which includes, but is not limited to legal, recruitment, audit and taxation, and capital markets. These fees are primarily for a fix duration and for tasks with a finite duration and limited scope.

Consulting fees

Consulting fees consist of expenses incurred primarily for contract labour required for an indefinite period with a broad mandate that will evolve as the business needs dictate. At times management judgement will be required in determining the classification between consulting fees and professional fees when a service lies outside of the defined categories in the respective definitions.

Public company and regulatory

Public company and regulatory expenses consist mainly of expenses associated with public company filings, management of the Company's listing on the CSE, equity administration and management, and investor relations activities such as outreach and marketing.

Office and general in operating expenses

Office and general expenses include software and other computer expenses, internal compliance expense, donations, dues and fees, equipment leases, insurance, facilities, telecom, and office supplies and maintenance expenses.

Finance costs

Finance costs consist of interest charged on our long-term debt facility, amortization of deferred financing costs and accretion expense. The deferred financing costs are amortized using the effective interest method over the term of the loan.

Loss from operations

Loss from operations exclude foreign exchange loss, income taxes, finance costs and change in fair value of derivative liability. We consider loss from operations to be representative of the activities that would normally be regarded as operating for the Company. We believe this measure provides relevant information that can be used to assess the performance of the Company and therefore, provides meaningful information to investors.

KEY PERFORMANCE INDICATORS (non-GAAP and non-IFRS)**Gross dollar value ("GDV")**

Gross dollar value loaded is the aggregate amount of all dollars loaded on to the Company's platform by hospitality, personal care, food delivery, and other establishments, and is measured on a monthly, quarterly, and annual basis.

Current Active Users

The Company classifies Current Active Users as those wallet holders who have had at least one transaction in their account in the most current reported month of the reporting period.

Total Active Users

The Company classifies Total Active Users as those wallet holders who have had at least one transaction in their account during the previous six months from the reporting date.