

XTM Files Q2 2022 Quarterly Financial Results

Revenue Up 224% and GDV 405% over Q2 2021

For Immediate Release

MIAMI, TORONTO, August 29, 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 Q2 2022 which shows, among other things, a 224% increase in revenue over Q2 2021.

Highlights include:

- Gross dollar value (“GDV”) loaded on the Company’s platform was just under \$117MM for the quarter. This is the highest quarter in the Company’s history, and an increase of 405% from just under \$23MM for Q2 2021 and an increase of \$47MM or 67% from Q1 2022;
- Current Active users (defined as wallet holders completing a transaction in the current month) on the Company’s Today™ program platform was just under 58K, an increase of 42K or 262% from 16K at the end Q2 2021, and an increase of just under 13K or 27% from Q1 2022. To reflect the mix of full and part-time Today employees the Company has added a new metric, “Total Active Users” (defined as a Today wallet holder with at least one transaction in the past 6 months). The Company’s Total Active User count was 82,600 as at the end of the Q2 2022;
- During the quarter the Company successfully onboarded 220 new locations for its Today program;
- Revenue of just under \$1.3MM for the quarter ending Q2 2022 was an increase of \$0.9MM or 224% compared to Q2 2021, and derived predominantly from the Canadian market as the Company finalizes its Earned Wage Access approvals with its banking partner for the US market;
- Gross Profit was \$297K or 23% of revenue an increase of 69% or \$121K compared to \$176K or 44% of revenue for Q2 2021, with the lower percentage a result of lower program revenues and higher card sales to support active user growth;
- Operating expenses were \$2MM, an increase of 88% or \$0.6MM compared to \$1MM for Q2 2021, with the main driver being increase staffing and consulting fees to support the Company’s growth initiatives, investment in sales and marketing, and US expansion;
- Cash totaled \$4.8MM as at June 30, 2022, down -\$3.5MM from prior year-end total of \$8.4MM with the decrease attributable to funding operational requirements and investments into new products including platform improvements to support new verticals, Earned Wage Access (EWA) and Tip and Gratuity allocation and distribution solution.

Subsequent events in Q2 2022:

- In July the Company finalized the development of Today platform enhancements allowing it to enter the market supporting new verticals outside of hospitality, personal care and food delivery. Also in July the Company completed a number of Point of Sale and Payroll integrations to enable an expedited go-live process for a number of hospitality groups.
- In August 2022 the Company signed several new clients in new verticals with more news to be provided in the coming weeks. This is a significant step in the Company's growth plans and proves the model that the Today solution has significant growth potential outside existing verticals.
- In August the Company launched into full production of its Tip, Gratuity and earnings allocation and distribution module. This monthly revenue generating solution can be fully integrated with the Today platform or as stand-alone solution. The Company has a large pipeline of orders and clients in various stages of contract and onboarding.
- In August the Company entered final contract negotiations with a food supply chain network whereby the Company will be endorsed by the brand and promoted to the more than 600 restaurants under management.

"The second quarter was a significant financial milestone for XTM and a sign of positive momentum in the hospitality space," said Marilyn Schaffer, CEO and Founder, XTM. "Our focus remains on continued growth in Canada and the US."

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.

For further information please visit xtminc.com or contact:

Marilyn Schaffer, CEO

finance@xtminc.com

416-260-1641

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.