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XTM ANNOUNCES INITIAL TRANCHE CLOSING OF PREVIOUSLY ANNOUNCED NON-BROKERED PRIVATE PLACEMENT OF CONVERTIBLE DEBENTURES

Toronto, Canada – February 6, 2024 – XTM INC. (CSE: PAID; QB: XTMIF; FSE:7XT) (“**XTM**” or the “**Company**”), is pleased to announce that, further to the press release issued by the Company on December 13, 2024, on January 25, 2025 (the “**Initial Closing Date**”) the Company closed the initial tranche of its previously announced non-brokered private placement offering (the “**Offering**”) of secured convertible debentures in the principal amount of US\$1,000 at a rate of 12% per annum from the date of issuance by the Company per Debenture (each a “**Debenture**”) and is due 24 months after the date of issuance. The initial tranche of the Offering that closed consisted of 3,842 Debentures for gross proceeds of US\$3,842,545 (C\$5,201,884) from existing shareholders.

Each Debenture shall be convertible at the option of the holder thereof into units (“**Units**”) of the Company at a price of US\$0.11 per Unit. Each Unit shall entitle the holder thereof to receive one fully paid and non-assessable common share in the capital of the Company (“**Common Shares**”), for no additional compensation, and one warrant to purchase a Common Share (each a “**Warrant**”) upon payment of US\$0.11 to the Company for a period of 24 months from the Initial Closing Date, provided, however, that if the daily volume-weighted average trading price of the Common Shares on the Canadian Securities Exchange (the “**Exchange**”) is greater than C\$0.50 for any 5 consecutive trading days (the “**Acceleration Trigger**”), the Company may, upon providing written notice to the Warrant agent, within 3 trading days of the Acceleration Trigger, accelerate the expiry date of the Warrants to a date that is at least 30 days following the date of such written notice.

The Debenture will be a secured obligation of the Company ranking junior in right of payment to all existing secured credit agreements and financing arrangements of the Company, and senior in right of payment to all current and future unsecured obligations of the Company.

XTM paid a cash finder’s fees in the aggregate amount of C\$98,560 to a finder. XTM also issued to the finders an aggregate of 98,560 share purchase warrants (the “**Finders’ Warrants**”). The Finders’ Warrants entitles the holder thereof to purchase one Common Share at a price of US\$0.11 per share for a period of 12 months.

The Company intends to use the net proceeds of the Offering for general corporate and working capital purposes. The closing of this Offering is anticipated to close on or about February 8, 2024, or such other date or dates that the Company may determine (the “**Closing**”). The Closing is subject to certain conditions, including, but not limited to, the satisfaction of customary closing conditions and the receipt of regulatory approvals, including the approval of the Exchange. There can be no assurance as to whether or when the proposed Offering may be completed, or as to the actual size or specific terms of the Offering.

The securities issued in connection with the Offering are subject to a statutory hold period of four months and one day from the date of issuance.

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About XTM INC.

XTM is a Miami and Toronto, Denver and London-based Fintech creator of payment innovations including fully certified and vertically integrated Earned Wage Access through its QRails AnyDay™ product. Founded in the cloud-banking space to further support businesses to inspire their workforce in the hospitality, personal care and services staffing industries, XTM provides on-demand pay for 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.

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

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Cautionary Notes

Forward-Looking Statements:

This press release contains forward-looking information within the meaning of applicable Canadian securities laws ("forward-looking information"). Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plan", "continue", "expect", "project", "intend", "believe", "anticipate", "estimate", "may", "will", "potential", "proposed" and other similar words, or statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions. Forward-looking information contained in this press release may include, without limitation, statements regarding the Offering; the terms, timing or completion of the Offering, or the pricing in respect thereof; additional tranches of the Offering in the future; the closing of the offering; the anticipated use of proceeds of the Offering, including but not limited to the use of the proceeds of the Offering for proposed acquisitions; and the receipt of all applicable governmental and regulatory approvals, including the approval of the Exchange, if required.

Forward-looking information is based on assumptions that may prove to be incorrect, including but not limited to the Company's ability to close the Offering, if at all, the timing of the closing, if at all, the expectation of closing additional tranches of the Offering, the intended use of proceeds, the lack of material changes to general economic, market and business conditions, and the receipt of all regulatory approvals in respect of the Offering, if required. The Company considers these assumptions to be reasonable in the circumstances. Forward looking statements address future events and conditions and are reliant on opinions and estimates of management as of the date such statements and assumptions are made, which involve inherent risks and uncertainties, known and unknown risks, and other factors that may cause the actual results, level of activity, performance or achievements of the Company, as the case may be, to be materially different from those expressed or implied by such forward-looking information, including but not limited to those risks described in the Company's public documents filed on www.sedarplus.ca from time to time.

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Forward-looking information is subject to business, industry, political and economic risks and uncertainties and other factors that could cause actual results of operations to differ materially from those expressed or implied in the forward-looking information. All information contained in this press release, other than statements of current and historical fact, is forward looking information.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. The risk factors and uncertainties that could cause actual results to differ materially from the anticipated results or expectations expressed in this press release, include, without limitation: the ability of XTM to satisfy the conditions to Closing of the Offering, including obtaining approval of the Exchange on a timely basis, or at all; that the Offering may not be completed on the terms and timeline indicated, or at all; that the Company's use of proceeds of the Offering may differ from those indicated; additional financing requirements; adverse market conditions; and other risk factors described from time to time in the Company's securities filings.

The Company provides no assurance that forward-looking statements and information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements or information. Accordingly, readers should not place undue reliance on forward-looking statements or information. The Company assumes no obligation to update forward-looking information, and expressly renounces any obligation, to update any forward-looking statements, other than as required by law.

The securities offered pursuant to the Private Placement have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any U.S. state securities laws, and may not be offered or sold in the United States unless registered under the U.S. Securities Act and applicable state securities laws or pursuant to exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws. This press release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.