

X T M I N C .

NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

XTM ANNOUNCES COMPLETION OF OVERSUBSCRIBED NON-BROKERED SECURED CONVERTIBLE DEBENTURE OFFERING FOR US \$11MILLION

Toronto, Canada – February 23, 2024 – XTM INC. (CSE: PAID; QB: XTMIF; FSE:7XT) (“XTM” or the “Company”), further to its news releases of December 13, 2023 and February 6, 2024, the Company is pleased to announce that it has completed its previously announced non-brokered private placement offering (the “Offering”) of secured convertible debentures (“Debentures”) for aggregate gross proceeds of US\$11,028,468 oversubscribed from the original maximum offering size from US\$5 million. The secured convertible debentures will bear interest at the rate of 12.0% per annum from the date of issuance, calculated and payable quarterly beginning on September 30, 2024.

“We are poised and ready to take on the reported 75% of US workers who want same day pay,” said Marilyn Schaffer, XTM, CEO. “We are thankful for the patience and loyalty of our team, our long shareholders and our invaluable partners.”

Secured Convertible Debentures

The Debentures shall be convertible at the option of the holder thereof (“Conversion Date”) 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 common share of the Company (“Common Shares”), 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 date of issuance, 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, 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 Debentures mature on the date (the “Maturity Date”) that is 24 months from the date of issuance.

X T M I N C .

The Debentures 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.

In connection with the Offering, XTM paid a further cash finder's fee in the amount of US\$400,000 to a finder (the "Finder").

The closing of the Offering (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. The Company intends to use the proceeds of the Offering for general corporate and working capital purposes, including to satisfy working capital requirements of its U.S. subsidiary, Q-Rails, as well as to as well as to extinguish an obligation of US\$1,058,342 concurrently with the Closing. The offering closed in three tranches on January 25, 2024, February 16, 2024 and February 23, 2024. The Company increased the maximum size of the offering from US\$5 million to US\$12 million to accommodate closing on gross proceeds of US\$11 million.

A director of the Company (the "Insider") participated in the first tranche of the Offering for a total of approximately US\$2,148,900 which constitutes a "related party transaction" pursuant to Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Company is exempt from the requirements to obtain a formal valuation and minority shareholder approval in connection with the Insiders' participation in the Offering, in reliance of sections 5.5(a) and 5.7(a) of MI 61-101, respectively, on the basis that participation in the Offering by the Insider did not exceed 25% of the fair market value of the Company's market capitalization. The Company did not file a material change report in respect of the related party transaction at least 21 days before the closing of the first tranche, which the Company deems reasonable in the circumstances as the details of the participation by the Insider of the Company were not settled until shortly prior to closing of the tranche and the Company wished to complete the first tranche in an expeditious manner.

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.

About XTM

XTM with offices in Miami, Toronto, Denver and London is a Fintech creator of payment innovations including fully certified Earned Wage Access through its AnyDay™ product. Founded in the cloud-banking space to further support businesses to inspire their workforce in the

X T M I N C .

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. 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.

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

Marilyn Schaffer

Chief Executive Officer

XTM Inc.

416.260.1641

finance@xtminc.com

Cautionary Notes

Forward-Looking Statements:

This news 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; conversion of the Debentures; the exercise of Warrants; the terms, timing or completion of the Offering, or the pricing in respect thereof; 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; events or developments that the Company expects or anticipates will or may occur in the future; and the receipt of all applicable governmental and regulatory approvals, including the approval of the Exchange.

Forward-looking information is based on estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, financial, operational and other risks, uncertainties and other factors, including those described below, which could cause actual results, performance or achievements of the Company to be materially different from results, performance or achievements expressed or implied by such forward-looking information and, as such, undue reliance must not be placed on them. Forward-looking information is also based on numerous material factors and assumptions, including but not limited to, Exchange approval of the Offering; the availability and timing of required regulatory and other approvals in connection with the Offering; and the lack of material changes to general economic, market and

X T M I N C .

business conditions. 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, such as business, industry, political and economic risks and uncertainties, 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 and may also include, without limitation: the inability of the Company to achieve positive cash flows from operations or obtain any necessary future financing to continue with its planned market expansion, competition; litigation; lower than anticipated demand for the Company's products and services; the Company's failure to satisfy its covenants under the Debentures; changes in technology that adversely affect the Company's products and services; the failure of the Company to successfully protect its intellectual property; and the attraction and retention of key employees and other qualified personnel. Please see the Company's public documents available on SEDAR+ at www.sedarplus.ca for a comprehensive discussion of the risks faced by the Company and which may cause actual results, performance or achievements of the Company to be materially different from results, performance or achievements expressed or implied by 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 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 Offering 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.