

July 5, 2024

CTO BACKGROUND

XTM Inc. (“XTM” or the “Corporation”) (QB: XTMIF / CSE:PAID / FSE:7XT) the Ontario Securities Commission (the “OSC”) as the principal regulator of the Corporation issued a failure-to-file cease trade order (a “FFCTO”) on July 3, 2024 to the Corporation under National Policy 11-207 *Failure-To-File Cease Trade Orders And Revocations In Multiple Jurisdictions* as a result of the Corporation’s failure to file the following (collectively, the “Required Filings”):

- audited annual financial statements for the year ended December 31, 2023, management’s discussion & analysis relating to the audited annual financial statements and related officer certifications for the year ended December 31, 2023 (the “**Annual Documents**”);
- interim financial statements for the period ended March 31, 2024, management’s discussion & analysis relating to the interim financial statements and related officer certifications for the year for the period ended March 31, 2024 (the “**Interim Documents**”);

As disclosed in the Corporation’s press release dated May 1, 2024, the OSC had previously granted a management cease trade order (the “MCTO”) pursuant to which all trading of the Corporation’s securities by the Corporation’s chief executive officer and chief financial officer was prohibited until the Corporation’s Annual Documents were filed as required pursuant to National Instrument 51-102 – *Continuous Disclosure Obligations*. Upon the issuance of the FFCTO, the OSC has concurrently ordered that the MCTO be revoked.

The FFCTO prohibits the trading by any person of any securities of the Corporation in each jurisdiction in Canada in which the Corporation is a reporting issuer, including trades in the Corporation’s securities made through the Canadian Securities Exchange (the “CSE”), for as long as the FFCTO remains in effect. The FFCTO provides an exception for beneficial securityholders of the Corporation who are not currently (and who were not as of July 3, 2024) insiders or control persons of the Corporation and who sell securities of the Corporation acquired before July 3, 2024 if both of the following criteria are met: (i) the sale is made through a “foreign organized regulated market”, as defined in section 1.1 of the Universal Market Integrity Rules of the Canadian Investment Regulatory Organization; and (ii) the sale is made through an investment dealer registered in a jurisdiction of Canada in accordance with applicable securities legislation.

The Corporation is not currently subject to any insolvency proceedings.

The Corporation is working with its auditors and the regulators to ensure full compliance and disclosure requirements are met. The Corporation intends to file the Annual Documents as soon as possible and will provide updates as further information relating to the Annual Documents becomes available and as required.

Corporate Update

The Corporation’s business continues to grow with a management focus on achieving a cash-flow neutral state and reducing reliance on outside financing as its goal. The Corporation looks forward to providing quantifiable updates on the growth of its Earned Wage Access business and growth of its Canadian digital earnings business.

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 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.

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Disclaimer for Forward Looking Statements

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 statements regarding the issuance of the FFCTO, the contents of these orders, the Corporation’s ability to file the Required Filings and within the expected time period, the completion of the required steps in respect of the audit of the Annual Documents, the subsequent revocation of the FFCTO, and management’s plans regarding its businesses. 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.

While we have based these forward-looking statements on our expectations about future events as at the date that such statements were prepared, the statements are not a guarantee that such future events will occur and are subject to risks, uncertainties, assumptions and other factors which could cause events or outcomes to differ materially from those expressed or implied by such forward-looking statements. Such factors and assumptions include, among others, the auditor’s term, audit procedures, the review, filing and completion of the Required Filings as well as the duration and revocation of the FFCTO, the effects of general economic conditions, changing foreign exchange rates and actions by government and regulatory authorities, the effects of COVID-19, both positive and negative, and misjudgments in the course of preparing forward-looking statements. In addition, there are known and unknown risk factors which could cause our actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by the forward-looking statements. Known risk factors include the failure of the Corporation to comply with applicable regulatory requirements, the Corporation’s inability to complete and file the Required Filings, the failure to satisfy requirements to remove the FFCTO, the resignation or removal of an auditor; failure of the Corporation to comply with applicable audit procedures; the inability of the Corporation to prepare and file applicable disclosure documents, unexpected changes in governmental policies and regulations in the jurisdictions in which the Corporation operates, risks associated with the impact of general business and economic conditions; risks related to global pandemics; influence of macroeconomic developments; business opportunities that become available to, or are pursued by XTM; reduced access to debt and equity capital; litigation; the volatility of the stock market; competition; future sales or issuances of debt or equity securities;

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use of proceeds; dividend policy and future payment of dividends; liquidity; and the market for XTM's securities. Although we have attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. 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. Accordingly, readers should not place undue reliance on forward-looking statements. The Corporation does not undertake any obligation to update or alter any forward-looking statements except as required under applicable securities laws. For the reasons set forth above, undue reliance should not be placed on forward-looking statements.

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.