

XTM ANNOUNCES PROPOSED OFFERING OF SECURITIES

Toronto, Canada – October 24, 2024 – XTM INC. (“XTM” or the “Company”) (CSE:PAID; FSE:7XT), is pleased to announce a non-brokered private placement offering of convertible debentures of the Company (“Debentures”) at a price of C\$1,100 per Debenture for aggregate gross proceeds of up to C\$7,000,000 (the “Offering”). The Debentures will mature 24 months from the date of issue (the “Maturity Date”), carry an interest rate of 12% per year and will be convertible to units (“Debenture Units”) at a conversion price of \$0.11 per Unit. Each Debenture Unit shall consist of one common share of the Company and one additional common share purchase warrant exercisable until the Maturity Date for an additional common share a price of C\$0.11 (each a “Warrant”). In the event the 5-day volume weighted average price of the common shares of the Company is C\$0.50 or more on the Canadian Securities Exchange, the Company may accelerate the expiry date of the Warrants to the date that is 30 days from the date of an announcement of such acceleration.

The Debenture will be a secured obligation of the Company ranking pari-passu to the existing secured debenture holders of the Company and shall be senior in right of payment to all future unsecured obligations of the Corporation.

The Company intends to use the net proceeds of the Offering to strengthen the balance sheet and for working capital purposes. The proposed Offering is expected to close on or about November 7, 2024, or such later date as 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. 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.

The Company may pay a fee in connection with the Offering comprised of (a) cash of up to 6% of the aggregate principal amount of the Convertible Debenture Units sold pursuant to the Offering and/or (b) an aggregate number of broker warrants, with substantially the same terms as the Warrants, of up to 6% of the aggregate number of Warrants issued pursuant to the Offering.

About XTM INC.

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.

Cautionary Notes

Neither the CSE nor its regulatory services provider accepts responsibility for the adequacy or accuracy of this press release.

Forward-Looking Statements:

This news release includes certain statements and information that constitute forward-looking information within the meaning of applicable Canadian securities laws. All statements in this news release, other than statements of historical facts are forward-looking statements. Such forward-looking statements and forward-looking information specifically include, but are not limited to, statements that relate to the terms, timing and completion of the Offering and the pricing in respect thereof, the use of proceeds of the Offering; and timely receipt of all necessary approvals, including any requisite approval of the CSE.

Statements contained in this release that are not historical facts are forward-looking statements that involve various risks and uncertainty affecting the business of the Company. Such statements can generally, but not always, be identified by words such as "expects", "plans", "anticipates", "intends", "estimates", "forecasts", "schedules", "prepares", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. All statements that describe the Company's plans relating to operations and potential strategic opportunities are forward-looking statements under applicable securities laws. These statements address future events and conditions and are reliant on assumptions made by the Company's management, and so involve inherent risks and uncertainties, as disclosed in the Company's periodic filings with Canadian securities regulators. As a result of these risks and uncertainties, and the assumptions underlying the forward-looking information, actual results could materially differ from those currently projected, and there is no representation by the Company that the actual results realized in the future will be the same in whole or in part as those presented herein.

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 CSE 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 disclaims any intent or obligation to update forward-looking statements or information except as required by law. Readers are referred to the additional information regarding the Company's business contained in the Company's reports filed with the securities regulatory authorities in Canada. Although the Company has 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 could cause actions, events or results not to be as anticipated, estimated or intended. For more information on the Company and the risks and challenges of its business, investors should review the Company's filings that are available at www.sedarplus.ca.

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 does not undertake to update any forward-looking statements, other than as required by law.

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

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