

XTM Signs Exclusive Referral Agreement With KOHO for Canadian AnyDay™ Members

TORONTO--(BUSINESS WIRE)--November 14, 2024--XTM Inc. (“XTM” or the “Company”) (CSE:PAID / FSE:7XT) a Miami, Toronto, and London-based Fintech creator of innovative payment solutions including tip-payout and certified Earned Wage Access (EWA) through its QRails AnyDay™ product and fully integrated processor, today announced that on November 12, 2024 it signed an exclusive referral agreement with KOHO Financial Inc. (“KOHO”) to offer enhanced financial services to its more than 100,000 AnyDay member base.

KOHO Financial Inc. is a Canadian fintech company based in Toronto, providing financial services to more than 1.7 million Canadians across the country.

As part of the commercial referral agreement there are multiple closing conditions, including XTM agreeing to close a financing of \$5 million CAD within 30 days of the effective date, as well as audit rights. Other notable terms include that the Company will generate revenue via customer acquisition fees and a time-bound revenue share for new users that KOHO acquires. This will enable the Company to eliminate banking, network, transactional and customer service costs, thereby offsetting a significant amount of cost of goods sold that, to date, have prevented the company from realizing profitability on its Canadian business. With its dramatic three-year growth and market dominance in hospitality staff payouts, coupled with this rollout, XTM aims to be in a cash flow neutral position by the first half of 2025.

The KOHO and XTM teams have been working together on integration and the member roll-out will begin in the coming weeks with a targeted completion around January 31, 2025. XTM’s AnyDay solution enables restaurant, personal care, hotel, golf resorts, and sporting arenas to payout tips/gratuities earnings to their employees, daily. XTM provides this service through a business-to-business Software as a Service (SaaS) solution and delivers the payment features to the AnyDay members via a mobile app and paired prepaid card. The end-user member features will now be delivered via the KOHO app and card.

With KOHO, employees of AnyDay’s SaaS clients will have access to a number of features including: interest-bearing CDIC insured accounts, unlimited e-Transfers, cash back on thousands of brands and purchase categories, credit scoring and credit building tools, cash advance options, buy now pay later, and many more money management tools designed to create a holistic environment of financial inclusion for all.

“This transformational agreement empowers XTM to focus on our strength in building value for hospitality businesses with our multi-featured, technology-rich SaaS platform,” said Jakob Ripshtein, XTM’s Chief Financial Officer. “The transaction improves our bottom line, allowing us to apply the resources to launch EWA in Canada, and empowers our clients to continue to make secure, daily, real-time tips and earnings to their valued employees.”

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.

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.

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. 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. 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. 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 Company 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.

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