

XTM REVENUE RECOVERED BACK TO 91% OF PRE-COVID LEVELS

TORONTO, December 1, 2020 – XTM, Inc. (“XTM” or the “Company”) (CSE:PAID) (FSE:7XT), a Toronto-based Fintech company in the challenger banking space, providing mobile banking and payment solutions around the world announces the filing of its Q3 2020 Financial Statements (“**Statements**”) and Management Discussion and Analysis (“**MD&A**”) for the period ending September 30, 2020. A comprehensive discussion of XTM financial position and results of operations is provided in the MD&A for the quarter ending September 30, 2020 filed on SEDAR and can be found at www.sedar.com.

Highlights (to be read together with the Company’s MD&A)

- As at September 30, 2020 the Company has seen revenues return to approximately 91% of pre COVID levels. During the nine-month period ended September 30, 2020 the Company’s gross revenue decreased by 9.43% compared to gross revenue during the nine months ended September 30, 2019. While the Company was trending towards higher revenues in early Q1 2020, the effects of COVID-19 played a significant role in the decline of revenues during the period. With almost 100% of XTM’s revenue being derived from its Today™ Card program servicing the hospitality, salon and personal care and food delivery companies.
- On October 27, 2020 the Company closed on a non-brokered private placement with gross proceeds totaling \$821,522.25. Additionally, after the close of the Q3 period the Company had exercised warrants and options from October 1, 2020 to November 30, 2020 totaling \$490,884 in gross proceeds. As at November 30, 2020 the Company has cash and current receivables in excess of \$775,000. The Company also has \$560K available from its debt facilities.
- The Company had a net loss in Q3 2020 of \$342,282 or a loss per share of \$0.004 compared to a loss of \$346,304 or a loss per share of \$0.004 in Q3 2019. The loss was mainly due to an increase in salaries, professional fees and marketing costs totaling \$444,067 compared to \$248,301 during the same period in 2019. Salaries increased \$88,448 due to new hires primarily in IT with new product developments with the Vert Credit Program and the CaliCard Closed Loop processing solution for legal cannabis, professional fees increased by \$52,003 with legal and accounting costs associated with the US expansion and marketing costs increased by \$55,513 due primarily to investor relations and market awareness campaigns.

“We are bullish about coming months,” said Marilyn Schaffer, CEO, XTM. “Though the hospitality and personal care verticals are suppressed right now, like the fighters they are, so many restaurants and salon syndicates are getting prepared for a significant rebound. Onboarding staff to our Today digital gratuity and earnings solution, in record numbers, is a big part of that preparation. This combined with our entry to the United States puts us in a good position.”

The Company has also adopted a restricted share unit (“**RSU**”) plan (the “**RSU Plan**”) pursuant to which the Company may grant options and RSUs to attract, motivate and retain directors, officers,

employees and consultants, and to align the interests of plan participants with those of the Company's shareholders.

The maximum number of RSUs issuable under the RSU Plan together with the number of stock options issuable under the company's existing stock option plan (the "**Stock Option Plan**") may not exceed 20% of the number of issued and outstanding common shares of the Company as at the date of a grant under the RSU Plan or the Stock Option Plan, as the case may be. Based on the number of common shares outstanding as at September 30, 2020 an aggregate of 18,811,000 RSUs and/or options can be granted pursuant to the RSU Plan and the Stock Option Plan. On November 30, 2020, the Company granted 2,685,001 RSUs to one employee and five consultants of the Company under the RSU Plan, which RSUs vest immediately upon their grant. The RSUs were issued as part of the contractual and discretionary compensation set out for such employee and consultants. Each of these consultants and employee previously held RSUs which were cancelled at the time the Company filed its preliminary prospectus and began trading on the Canadian Securities Exchange.

About XTM Inc.

XTM, www.xtminc.com is a Toronto-based fintech innovator in the challenger banking space helping business and workers alike expedite earnings payout and reduce or eliminate banking fees. We are a global card issuer and payment specialist providing free technology to business to automate and expedite worker payouts that can eliminate cash. XTM integrates businesses to a payment ecosystem that is coupled with a free mobile app and Mastercard debit card with free banking features. XTM drives enterprise value and creates a positive user experience.

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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 expected performance of XTM, the expectation that businesses with which XTM does business or have committed to do business will in the expected timeline, the continuing trend toward electronic payment methods, that the salon integration will attract new salon owners to use the Today program, and the general conditions and revenues of XTM. 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.

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.