

X T M I N C .

XTM SIGNS LOI TO LAUNCH PAYMENT NETWORK TO ELIMINATE CASH

For immediate Release

TORONTO, MIAMI, SEPTEMBER 10, 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 today announced it has signed a Letter of Intent (“LOI”) with one of the largest online cannabis retailers in the U.S. to launch a proprietary cashless payment network.

This will be the first of its kind, bank grade, fully compliant, community currency, closed loop solution for any company or business looking to eliminate cash and process real-time payments including but not limited to licensed Cannabis companies. A new web site www.CaliCard.com is being established and physical cards will soon be in production.

As part of the terms of the LOI XTM will private label its existing mobile wallet and payment network technology, finalize development for merchant settlements, arrange the banking partnerships, manage the network and license the technology to a new entity of which XTM will own 50%. The other party will adopt and roll-out the technology across all its e-commerce platforms and will leverage its contacts for sales and marketing of the solution.

Cash used in U.S. legal marijuana sales was estimated to be in excess of \$8 billion in 2019. The added security risks and costs of transacting in cash are significant. Existing solutions are overcomplicated, not fully compliant, expensive and subject to fraud and chargebacks. Merchants say service offerings currently available to the industry are lacking in compatibility and do not provide consumers with the user experience they have come to expect in today's digital world. They are subject to high transaction fees and are waiting for days to collect the proceeds from their sales.

With this new closed-loop payment network, users will quickly and easily sign up via mobile app for free. As part of the sign-up process they will link their debit card as the method of funding the virtual card and wallet in real-time. Merchants will receive same day settlements in a partner bank dedicated account issued to each merchant. As well XTM is incorporating its industry leading Know Your Customer (“KYC”) technology into the application to enable users to be screened for age and identity validation, dramatically reducing chargebacks and fraud. As part of the rollout of the program each user will be delivered a physical card allowing for purchases to be made at bricks and mortar locations and will also allow access to a cash load network.

The Company has already received interest from other parties looking for the solution and expects to board a significant number of merchants before the end of the year. With the current annual run rate sales of the other party and expected percentage of sales to be migrated to the platform coupled with a few additional merchants, the Company anticipates to be processing in

excess of \$50M in run-rate annual volume and 500K transactions per month by the end of the year.

XTM is looking forward to providing a positive customer checkout experience using CaliCard.com that is real-time, fully compliant and cashless and expects this will in turn significantly increase efficiencies, sales volumes and net margins for merchants.

Further details regarding the product and launch date will be announced shortly and updates will be posted on the dedicated web site www.CaliCard.com.

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 integrations will attract new business 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. While XTM can make best efforts to estimate when businesses will re-open or back to pre-Covid 19 business levels there are no guarantees this will happen in the time the Company expects or if at all. 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.

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