# XTM Inc. Announces Convertible Debenture Financing of up to $5,000,000

MIAMI & TORONTO--(BUSINESS WIRE)--April 28, 2023--XTM Inc. (“**XTM**” or the “**Company**”) (QB: XTMIF / CSE:PAID / FSE:7XT), a Miami and Toronto-based Fintech creator of disruptive payment innovations specifically for service industries including hospitality, personal care and service staff today is pleased to announce the Company intends to complete a non-brokered private placement of convertible debentures of the Company (each, a "**Convertible Debenture Units**") at a price of US$1,000 per Convertible Debenture Unit for gross proceeds to the Company of up to US$5,000,000 (the "**Offering**").

Each Convertible Debenture Unit will be comprised of US$1,000 principal amount of unsecured convertible debenture (“**Convertible Debenture**”) and 1,000 common share purchase warrants (a "**Warrant**"). Each Warrant will entitle the holder thereof to purchase one common share of XTM (a “**Common Share**”) at a price of US$0.29 per Common Share for a period of twenty-four (24) months from the date of issuance thereof.

The Convertible Debentures will bear interest at a rate of 10.0% per annum, calculated and payable quarterly in arrears, commencing September 30, 2024 and mature twenty four (24) months following the date of issuance (the "**Maturity Date**"). The principal amount of each Convertible Debenture (the "**Principal Amount**") will be convertible into Common Shares at a conversion price of US$0.185 per Common Share (the "**Conversion Price**") at the option of the holder of a Convertible Debenture ("**Debenture Holder**") at any time prior to the close of business on the Maturity Date.

The Convertible Debentures will be unsecured obligations of the Company and will be subordinated in right of payment of principal and interest to all secured debt and to all existing and future senior indebtedness of the Company and senior to any of the Company's future debt that is expressly subordinated to the Convertible Debentures.

The net proceeds received by the Company from the Offering are intended to be used for general corporate purposes, Earned Wage Access (“**EWA**”) expansion in the US and any strategic acquisitions in the US that could accelerate the rollout of existing XTM signed contracts.

The Company may pay a fee in connection with the Offering comprised of (a) cash of up to 5% 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 5% of the aggregate number of Warrants issued pursuant to the Offering.

## About XTM

XTM, www.xtminc.com, is a Miami and Toronto-based fintech innovator founded in the cloud-banking space and further helping businesses inspire their workforce in the hospitality, personal care and services staffing industries. Established as a leader in on-demand pay with many large brands including Earls, Maple Leaf Sports & Entertainment, Cactus Club, Marriott Hotels and Live Nation, XTM continues to innovate with further digital featurization to support businesses to inspire workers to want to work more with shift scheduling and call-outs, staff management, expense management, in-app health and financial wellness; and gamified loyalty programs. XTM's Today Financial™ is in use through POS and Payroll integrations and directly through web-portals by thousands of businesses and their workers across Canada and the United States.

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 in respect of the Offering, XTM’s intended expansion into the EWR space and generally, and the general conditions, revenues and performance 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.

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 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, the future of the market for XTM programs 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 risks associated with the impact of general business and economic conditions; the profitability and amount of interchange and other revenues received by XTM; the regulatory framework in which XTM exists; XTM's ability to continue onboarding clients; 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; 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. We are under no 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.

## Contacts

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