XTM Files Q1 2025 Interim Financial Results

Revenue Up 51% Over Prior Year Quarter, Net Comprehensive Loss Decreases 40% Over Prior Year Quarter

TORONTO--(BUSINESS WIRE)--May 30, 2025--XTM Inc. ("XTM" or the "Company") (QB: XTMIF / CSE: PAID / FSE: 7XT), a fintech innovator in automated tip calculations, instant payouts for employees and gig workers and a provider of Earned Wage Access ("EWA") through its AnyDay™ platform, today announced it has filed its interim financial statements and management's discussion and analysis (MD&A) for the quarter ended March 31, 2025 (the "Required Filings").

As part of XTM's continued strategic realignment and focus on profitability, the Company's previously announced transaction regarding its processing operations with **Pateno Payments Inc.** (a subsidiary of **Digital Commerce Group**) is progressing with only final US Banking operation approvals necessary to close. The transaction agreement deadline, originally set to close on May 30, 2025, is being extended to meet the various US Bank's departmental schedules.

The partnership and ongoing support of **Digital Commerce Bank** positions XTM to rapidly scale its SaaS business with robust financial and infrastructure backing.

Q1 2025 Financial and Operational Highlights

- **Revenue Growth:** Revenue was $2.7 million for the quarter, increasing 51% from the prior year quarter revenue of $1.8 million.
- **Revenue Source:** Less than 40% of the company's revenue in Q1 was derived from Interchange as part of the company's strategic goal to diversify revenue sources, now with the inclusion of Software as a Service (SaaS) revenue
- **Net Loss & Comprehensive Loss:** The Company reduced its net loss and comprehensive loss to $3.2 million in Q1 2025 compared to $5.3M in Q1 2024, a decrease of 40%.
- **CAD $13M Credit Facility:** On January 1, 2025, XTM signed a CAD $13 million Letter of Credit with Pateno Payments to support growth and cash neutrality, ahead of a planned financing and uplisting to a senior exchange in the second half 2025.
- **Restricted Cash:** The decrease in restricted cash of $14.2M includes $2.5M related to the migration of XTM funded EWA programs to client funded programs at QRails and an additional $9.6 million of deposits transferred to KOHO financial, which are expected to be returned by Q3 2025

Subsequent Events – Q1 2025

- **Sales Team Expansion & Early Wins**:
  XTM is pleased to announce the expansion of its sales team, welcoming a new representative who successfully closed **two new deals within their first two weeks** at the Company. Consistent with XTM's hiring strategy, the new team member brings direct industry experience, having been an **active AnyDay user** within the hospitality sector—providing firsthand insight into the platform's value and driving authentic client engagement.
- **Strong Year-to-Date Growth**:
  As of the latest reporting period, XTM has signed **149 new client locations ("doors")** for its **Anyday wage and gratuity access solution**, reflecting accelerating adoption and strong market demand.

Filing Details

The audited consolidated financial statements and MD&A for the year ended December 31, 2024, are available on the Company's profile at www.sedarplus.ca.

About XTM Inc.

XTM Inc. is a global fintech innovator with offices in Miami, Toronto, Denver, and London. Through its AnyDay™ platform and its fully owned subsidiary, QRails, XTM delivers instant pay and Earned Wage Access solutions to the hospitality, personal care, and staffing sectors. XTM supports some of North America's leading brands including Earls, Marriott Hotels, Maple Leaf Sports & Entertainment, Cactus Club, and Live Nation.

QRails is a cloud-based, API-driven issuer-processor enabling payroll providers, financial institutions, and fintechs to deliver modern digital payment solutions. QRails is SAP-certified and PCI DSS and SOC compliant.

Learn more at www.xtminc.com and www.qrails.com.

Forward-Looking Statements

This press release contains "forward-looking information" and "forward-looking statements" within the meaning of applicable Canadian securities laws. These statements involve known and unknown risks, uncertainties, and assumptions, and may include words such as "expects," "intends," "anticipates," "plans," "believes," and similar expressions. Actual results could differ materially from those projected due to various risks and factors beyond the Company’s control.

The CSE has neither approved nor disapproved the contents of this press release and accepts no responsibility for its adequacy or accuracy.

Contacts

Investor Contact:

Jakob Ripshtein
Email: finance@xtminc.com
Phone: 416-260-1641