

XTM Inc.

CSE: PAID, OTCQB: XTMIF, FSE: 7XT
www.XTMINC.com

Management's Discussion and Analysis

For the periods ended September 30, 2023 and 2022

(This Management Discussion and Analysis, prepared by management, has not been reviewed by the Company's external auditor)

Table of Contents

INTRODUCTION	3
<i>ACCOUNTING PERIODS</i>	3
<i>CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS</i>	3
CORPORATE OVERVIEW	4
RECENT EVENTS	4
HIGHLIGHTS FOR Q3 2023	5
<i>KEY PERFORMANCE INDICATORS AND NON-IFRS MEASURES</i>	7
<i>QUARTERLY RESULTS</i>	7
ANALYSIS OF FINANCIAL PERFORMANCE	8
<i>NET LOSS AND COMPREHENSIVE LOSS</i>	8
<i>EBITDA AND ADJUSTED EBITDA</i>	8
<i>REVENUE AND GROSS PROFIT</i>	8
<i>OPERATING EXPENSES</i>	9
<i>OTHER INCOME</i>	10
<i>ASSETS</i>	10
<i>LIABILITIES</i>	11
<i>SHAREHOLDERS EQUITY</i>	11
<i>RESTRICTED CASH, RECEIVABLES AND CLIENT DEPOSITS</i>	11
RISK FACTORS AND UNCERTAINTIES	12
NEW ACCOUNTING PRONOUNCEMENTS	12
DEFINITIONS – IFRS, ADDITIONAL GAAP AND NON-GAAP	12
<i>IFRS MEASURES</i>	12
<i>KEY PERFORMANCE INDICATORS (non-GAAP and non-IFRS)</i>	13

INTRODUCTION

This Management's Discussion and Analysis ("MD&A") prepared as of November 29th, 2023, reviews the financial condition and results of operations of XTM Inc. (the "Company" or "XTM") for the period ended September 30, 2023 and all other material events up to the date of this report. The following discussion should be read in conjunction with a) the annual audited consolidated financial statements and related notes for the year ended December 31, 2022, and b) unaudited consolidated condensed interim financial statements for the three months ended September 30, 2022 together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. These statements can be found under the Company's profile on SEDAR at www.sedar.com.

This MD&A has been prepared in compliance with the requirements of section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. The Company's unaudited consolidated condensed interim financial statements and the financial information contained in this MD&A have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretation Committee ("IFRIC") All dollar amounts are in Canadian dollars, unless otherwise noted.

The Company's certifying officers are responsible for ensuring that the audited consolidated financial statements and MD&A do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading considering the circumstances under which it was made. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of XTM's Subordinate Voting Shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates the materiality in this regard referencing all relevant circumstances, including potential market sensitivity. The Company's directors certify that the audited consolidated financial statements and MD&A present, in all material respects, the financial condition, results of operations and cash flows, of the Company as the date hereof.

ACCOUNTING PERIODS

The following Management's Discussion & Analysis ("MD&A") is based on information in the unaudited condensed consolidated interim financial statements and accompanying notes thereto for the period ended September 30, 2023. Comparative amounts in the unaudited condensed consolidated interim financial statements and accompanying notes thereto are for the period ended September 30, 2022, and year-ended December 31, 2022.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain sections of this MD&A may contain "forward-looking statements" within the meaning of applicable securities legislation. All statements, other than statements of historical fact, made by the Company that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects",

“potential”, “expects”, “plans”, “intends”, “anticipates”, “targeted”, “continues”, “forecasts”, “designed”, “goal”, or the negative of those words or other similar or comparable words. Forward-looking statements may relate to the Company’s future financial conditions, results of operations, plans, objectives, performance or business developments. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements.

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. Forward-looking statements are provided for the purpose of providing information about management’s expectations and plans relating to the future. All of the forward-looking statements made in this MD&A are qualified by these cautionary statements and those made in our other filings with applicable securities regulators in Canada. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.

CORPORATE OVERVIEW

The Company’s main business is as a fintech innovator disseminating earned wages, gratuities, and expense reimbursements to workers primarily in the hospitality, personal care, and food delivery space, but as of late entering new verticals that can also benefit from its solution. XTM is the originator of the Today™ program, a bespoke software solution specifically designed for restaurateurs, personal care service providers, food delivery operators, and other establishments with a similar need to provide staff with funds in near real-time. It is comprised of a Today wallet accessible via the internet or by a free mobile app, and a companion Visa or Mastercard debit card with free banking features. Currently the solution is used by thousands of locations and their staff across Canada, and is now entering the United States.

The head office, principal address, and registered office of the Company is located at 67 Mowat Avenue, Suite 437, Toronto, Ontario, Canada, M6K 3E3 and the United States office is located at 1221 Brickell Ave Suite 900 Miami, FL. 33310.

During the years ended December 31, 2022, 2021, and 2020, there was a global outbreak of COVID-19, which has had a significant impact on businesses through the restrictions put in place by the Canadian federal, provincial, and municipal governments regarding travel, business operations and isolation/quarantine orders. The start of the Russia/Ukraine War and ensuing global uncertainty especially as it relates to financial markets resulted on June 13, 2022, the MSCI ACWI index, which tracks stock prices from both emerging and developed markets, officially slipping into a bear market, falling 21% from a mid-November peak. It is not possible to reliably estimate the length and severity that the bear market will have on the financial results and condition of the Company in future periods.

RECENT EVENTS

The following notable events occurred after the period covered by the Company’s September 30, 2023 unaudited consolidated financial statements and MD&A:

- The Company issued shares to supporting the Company's working capital requirements until the close of the Convertible Debt Financing:
 - On October 13, 2023: 2,000,000 shares were issued at \$0.12 per share for CA\$240,000
 - On October 23, 2023: 999,999 shares were issued at \$0.15 per share for CA\$150,000

HIGHLIGHTS FOR Q3 2023

The Company initiated its acquisition of QRails in March 2023 at which time XTM began covering all QRails payroll and accounts payables. XTM closed its acquisition of QRails Inc. on August 18, 2023. The acquisition was seen to be strategic in that it effectively launched XTM in the US market, it made XTM the first, certified and vertically integrated Earned Wage Access (EWA). provider in the world, and it positioned XTM to compete within the top 3 EWA providers in the world with valuations in the hundreds of millions to billions. EWA is seen as a critical offering for employer to employee helping a growing community manage the changing economy and manage their personal finances without having to resort to pay-day loans.

With the acquisition of QRails XTM became its own processor thereby offering a prospect of materially increased margins with full integration, eliminating the high cost of third-party processing that all EWA providers face and also offering an alternative revenue generation stream by processing for other payment providers.

The acquisition of QRails is has stretched the company finances, however the synergies of QRails with XTM's core business is resulting in product demos and partner conversations that change XTM's status, aligning it with global partners and financiers of world-class status.

Concurrent and before the initial draw of the debt facility, the Company will close an additional US\$5M of convertible debentures as is a condition of the loan funding. This will enable the Company to deliver its EWA product at scale. The Company expects to begin realizing material revenue from QRails in Q1 2023.

As the two companies come together, economies of consolidation are being pursued. As of July 2023, there was a reduction in \$1.3M in FTE annualized salaries. The combination underway of the two applications, AnyDay and Today Financial, are also furthering cost savings as is the move from on-prem data storage to AWS.

The Company views the revenue, increased active user base, and GDV achievements as a clear sign of continued positive momentum in the hospitality space even though economic headwinds are putting a strain consumer discretionary spend. Revenue of \$1.9MM in Q3 2023 was the highest on record for the Company.

- US revenue has increased by \$115K or 328% year over year and can be attributed to QRails acquisition and the Anyday Earned Wage Access (EWA) platform. The EWA receivable, for funds advanced to employees ahead of payday has grown by 251% to \$1,051K, up from \$419K in March, the month prior to XTM assuming operations
- Current Active users at the end of September 2023 (defined as wallet holders that completed a minimum of one transaction in a current month) on the Company's Today platform totalled 79K, an increase of 15K or 23% from 64K for Q2 2022, and an increase of 6K or 9% from Q1 2023.

- Revenue was \$1.9MM for the quarter. Q3 2023 was the strongest quarter for revenue since the Company's inception, increasing \$0.4MM or 29% compared to Q3 2022, and \$0.2MM or 17% compared to Q2 2023;
- Gross Profit was \$0.1MM or 5% of revenue for the quarter; this compares to \$0.3MM or 21% of revenue for Q3 2022; Normalizing for the QRail's acquisition, gross profit for the quarter was \$0.3MM or 14% of revenue
- Operating expenses were \$4.0MM for the quarter. Q3 2023 saw an increase of 84% or \$1.8MM compared to \$2.2MM for Q2 2022. This is due to cost increase associated with the QRails acquisition. Normalizing for the acquisition and one-time non-recurring costs, operating expenses for the quarter would be \$2.0MM, or a decline of \$0.2MM or 10% reduction year over year
- Adjusted EBITDA decreased by \$1.5MM compared to Q3 2023 due to QRails. This is driven from in losses contributed from QRails, ahead of its ramp-up and product launch in early 2024, and an increased exposure to foreign exchange losses
- Net loss was \$5.0MM for the quarter. Current quarter net loss increased by \$2.8MM compared to a net loss of \$1.8MM for Q3 2022.

SUMMARY OF ANNUAL RESULTS

KEY PERFORMANCE INDICATORS AND NON-IFRS MEASURES

The key performance indicators (“KPI’s”) and non-IFRS measures for the Company are gross dollar value load (“GDV”), Current Active Users, and Average Revenue per User. The Company’s success will be measured by its growth in revenue from one reporting period to the next and is directly a result of increased dollar value transacted through its platform. Revenue growth is dependent on the Company continuing to sign on new hospitality locations, increase the percentage of GDV used for POS transactions, and the addition of new products to enhance current programs.

QUARTERLY RESULTS

The following table summarizes information derived from the Company’s unaudited condensed consolidated financial statements as well as KPI’s the Company uses to assess performance, for each of the eight most recently completed quarters:

Quarter Ended	Financial Results					Key Performance Indicators	
	Revenue	Cost Of Sales	Gross Profit	Net Income (loss)	Net Income (loss) per share	GDV	Current Active Users (past month)
Statement of Loss and Comprehensive Loss	\$	\$	\$	\$	\$	\$MM'	#
Sep. 30, 2023	1,895,021	1,798,098	96,923	(4,657,465)	(0.03)	180.5	81,583
Jun. 30, 2023	1,619,188	1,488,494	130,694	(2,382,035)	(0.01)	170.8	79,421
Mar. 31, 2023	1,427,933	1,252,467	175,466	(1,890,399)	(0.01)	143.0	72,976
Dec. 31, 2022	1,183,480	969,945	213,106	(2,049,938)	(0.01)	138.5	67,179
Sept. 30, 2022	1,467,995	1,162,164	305,831	(1,820,941)	(0.01)	137.3	64,020
Jun. 30, 2022	1,286,058	988,971	297,087	(1,871,005)	(0.01)	116.5	57,790
Mar. 31, 2022	796,623	682,239	114,633	(1,524,265)	(0.01)	69.8	48,767
Dec. 31, 2021	743,924	752,185	(8,261)	2,054,794	(0.01)	65.2	40,997

(1) See “Definitions – IFRS, Additional GAAP and Non-GAAP Measures”;

(2) “nm” stands for “not measured”

ANALYSIS OF FINANCIAL PERFORMANCE

NET LOSS AND COMPREHENSIVE LOSS

Net loss and comprehensive loss for Q3 2023 was \$4.8MM compared to a net loss and comprehensive loss of \$1.8MM for Q3 2022. The increase is due to losses contributed from QRails of \$2.2MM. The increased costs are due to monthly minimums incurred for its issuer processor ahead of its full product launch in early 2024, when the Company expects significant margin improvement. The Company also incurred one-time costs of \$0.4MM relating to the acquisition and increased audit costs.

EBITDA AND ADJUSTED EBITDA

The table below reconciles net loss to EBITDA and Adjusted EBITDA for the three and nine months ended September 30, 2023 and 2022.

	For the three months ended		For the nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Net loss and comprehensive loss	(\$ 4,780,245)	(\$ 1,818,166)	(\$ 9,120,067)	(\$ 5,243,382)
Add:				
Foreign exchange (gain)/loss	227,537	(35,075)	330,226	(33,492)
Other (income) / expenses	116,874	(26,108)	111,433	(26,108)
Amortization of intangible assets	353,202	36,845	426,893	111,822
Depreciation of PPE	35,072	10,764	55,007	29,619
EBITDA	(4,047,560)	(1,856,740)	(8,196,508)	(5,161,541)
Adjustments:				
Acquisition-related expenses	217,359	18,499	401,590	201,561
Non-recurring expenses	187,500	-	245,850	-
Share-based compensation	411,555	113,531	485,960	136,711
Adjusted EBITDA	(\$ 3,231,146)	(\$ 1,724,710)	(\$ 7,063,107)	(\$ 4,823,269)

Adjusted EBITDA for Q3 2023 was negative \$3.2MM and is down \$1.5MM over Q3 2022.

REVENUE AND GROSS PROFIT

Gross Dollar Value (“GDV”) of \$180.5MM for Q3 2023 increased by \$43.2MM or 31% from \$137.3MM for the prior year quarter. The increase is a result of significant growth in the number of clients and associated active users added to the Today program over the preceding 12 months coupled with the complete removal of COVID-19 restrictions in the hospitality sector; the latter resulting in higher foot traffic which in turn yielded higher GDV per client and active user.

Revenue for Q3 2023 totaled \$1.9MM, an increase of \$0.4MM or 29% from \$1.5MM for the prior year quarter. US Revenue expanded quickly with the QRail's acquisition, and has grown by \$114K or 325% year over year, from \$35K to \$150K. Of the Company's three revenue streams, Transaction revenue was the main driver, increasing by \$396K, while Card revenue decreased by \$76K; Subscription revenue increased by \$16K, and Program management revenue was up by \$92K.

Transaction revenue which consists of interchange resulting from point of sale transactions ("POS"), out of network ATM withdrawal fees, and electronic transfer fee's, totaled \$1,603K for Q3 2023, an increase of \$396K or 33% from \$1,207K for the prior year quarter. The increase is due to higher GDV loaded on the Company's *Today Financial* platform and the associated transaction growth as cardholders move funds off their mobile wallets. This growth resulted from the Company growing its active user count by 25%, going from 64K at the end Q3 2022 to 80K at the end of Q3 2023.

Card issuance revenue which consists of revenue from the purchase and shipping of *Today Financial* debit cards to the clients for use by their employees totaled \$160K for Q3 2023, a decrease of \$83K from \$243K for the prior year quarter. The Company changed the recognition card revenue over the remaining life of the customer contract, on a comparative basis, Card revenue decreased 4% or \$9K. This is largely due to the timing of card expiry that will fluctuate from period to period.

Subscription revenue which consists of revenue charged to businesses for use of the *Today Financial* product to enable real-time payment of earned wages and gratuities. Starting in Q2 2023, the Company introduced this new revenue stream to expand beyond interchange and cardholder fees, and increase its average revenue per user.

Program Management revenue which consists of licensing of the Company's technology to adjacent markets and customized program fee's, totaled 116K for Q3 2023, a increase of \$92K or 383% from \$24K for the prior year quarter. The increase is due to professional fees recognized for the integration of a third party authentication platform onto the QRails' processor.

Gross Profit for Q3 2023 totaled \$0.1MM or 5% of revenue, is a decrease of \$0.2MM or 68% from \$0.1MM or 21% of revenue for the prior year quarter. The decrease in gross profit is due to monthly minimums incurred on issuing bank and network costs, which will significantly decrease as QRails scales. Normalizing for the QRails acquisition, gross profit for Q3 2023 would be \$0.3MM or 14% of revenue.

OPERATING EXPENSES

Total operating expenses for Q3 2023 were \$4.0MM, an increase of \$2.8MM or 84% from \$2.2MM in the prior year quarter. Normalizing for the acquisition and one-time non-recurring expenses, operating expenses would have been \$2.0MM. The decline is largely related to cost synergies related to the acquisition. Operating expenses of the company consist of:

Salaries and employee benefits were \$1.9MM for Q3 2023 compared to \$1.0MM for Q3 2022. The increase of \$1.0MM is the result of additional staffing from QRails. Total employees at the end of Q3 2023 is 73, up from 35 at the end of Q3 2022. The increased staff from QRails is due to costs associated with operating an issuer processor. The Company expects an improvement in gross margin once it can transition processing internally. Normalizing for the acquisition, staffing cost would be \$0.9MM for the Q3 2023.

Consulting fees were \$66K in Q3 2023 compared to \$370K for the prior year quarter. The decrease of \$304K is due to a reduction in high cost contract labour in engineering, as the Company look to build the capability in-house. The Company reviews staffing requirements and reliance on contract labour quarterly, and adjusts based on labour market and projected workload requirements.

Professional fees were \$0.8MM for Q3 2023 compared to \$0.2MM for the prior year quarter. The increase of \$0.6MM is a result of increased legal fees associated with the QRails acquisition and increased audit costs, partially offset by a reduction in recruitment costs.

Stock based compensation was \$0.4MM for Q2 2023 compared to \$0.1MM for the prior year quarter. The increase is entirely due to restricted stock units and options issued to the employees of the Company.

Marketing and promotion expenses were \$0.1MM for Q3 2023 compared to \$0.1MM for the prior year quarter, and is largely unchanged year over year.

Office and general expenses were \$0.25MM for Q3 2023 compared to \$0.1MM for the prior year quarter. The increase of \$0.15MM is primarily the result of the acquisition of QRails due to additional rent, insurance and software licenses from increased staffing. Normalizing for the acquisition, office and general spend would be \$0.1MM for the quarter.

Public company and regulatory expenses were \$0.1MM for Q3 2023 compared to \$0.2MM for the prior year quarter. The decrease of \$0.1MM is entirely due a reduction in Investor Relation related spend pertaining to awareness and outreach activities.

Depreciation and amortization expenses were \$0.4MM for Q3 2023 compared to \$0.05MM for the prior year quarter. The increase in depreciation is due to the equipment and internally developed software acquired in the quarter.

OTHER EXPENSE

Other expense for Q3 2023 was \$1.0MM compared to income of \$0.1MM for the prior year quarter. The increase of \$1.1MM is related to \$0.6MM provision taken against fraud credit receivables and \$0.4MM of foreign exchange losses.

ASSETS

Cash as at September 30, 2023 was \$0.4MM compared to \$2.7MM at December 31, 2022. The decrease of \$2.3MM is a result of the Company funding operating activities of QRails for \$4.3MM, before the transaction closing, and \$0.4MM of foreign exchange losses incurred. This is offset by the \$3.0MM increased funding from its subscription receipts for its convertible debentures issuance.

Trade and other receivables as at September 30, 2023 were \$0.6MM compared to \$0.6MM at December 31, 2022, and is largely unchanged year-over-year

Receivables – Restricted is comprised of \$0.9MM of fraud credits issued by the Company to cardholders in advance of the underlying card network providing reimbursement, and funds advanced to cardholders as part

of the Earned Wage Access (EWA) program provided by QRails. The EWA receivable has grown by 251% to \$1.0MM, up from \$0.4MM in March, the month prior to XTM taking over operations.

Prepaid expenses as at September 30, 2023 were \$0.5MM compared to \$0.3MM at December 31, 2022. The increase of \$0.2MM is due to the prepaids assumed from the acquisition and a \$0.1MM prepayment made to a strategic partner for licencing of workforce management software offset partially by reduction to software subscriptions and insurance premium prepayments.

Contract asset as at September 30, 2023 was \$0.5MM compared to \$0.3MM at December 31, 2022. The increase of \$0.2MM is due to the Company deferring card costs over the remaining life of its customer contracts. In Q3 2023, \$128K of card costs were deferred to future periods, offset by \$73K of costs amortized in the current period.

LIABILITIES

Trade and other payables as at September 30, 2023 were \$6.8MM compared to \$1.3MM at December 31, 2022. The increase due to the Company inheriting the existing payables for QRails, which represents \$3.4MM. There are payment plans negotiated with key vendors, which will reduce the near-term cash outlay.

Unearned revenue as at September 30, 2023 was \$0.9MM compared to \$0.4MM at December 31, 2022. The increase of \$0.5MM is attributed to the Company recognizing its Card revenue across the life of its customer contracts which can range from 1 to 3 years. In Q3 2023, card revenue of \$0.2MM was deferred to future period, offset by \$0.1MM of deferred revenue being recognized.

Subscription receipts as at September 30, 2023 of \$3.0MM are proceeds received as part of the Company's non-brokered private placement of convertible debentures that has an initial closing date after the quarter end date.

SHAREHOLDERS EQUITY

Shareholders equity as at September 30, 2023 is negative \$1.7MM compared to \$2.2MM at December 31, 2022. The decrease of \$3.9MM is due to an increase in accumulated deficit associated with the current quarter's net loss and comprehensive loss.

RESTRICTED CASH, RECEIVABLES AND CLIENT DEPOSITS

Acting as a paying agent, the Company had \$47.8MM in restricted funds on deposit (December 31, 2022 - \$51.3MM), \$1.0MM in Earned Wage Access funds advanced (December 31, 2022 - \$nil), and \$0.9MM in restricted receivables of \$0.9MM (December 31, 2022 - \$0.2MM) related to fraud credits that the Company filed to the network on behalf of its cardholders. The Company also has corresponding liabilities for client and cardholder balances as at September 30, 2023 of \$54.6MM (December 31, 2022 - \$52.5MM). Restricted cash consists of cash balances held in individual client wallets which are on deposit in custodial accounts controlled by the company for the sole benefit of the client, and cardholder balances resulting from the transfer of funds by the client from their respective wallet(s) to a card which are on deposit in settlement accounts controlled and subject to restrictions imposed by the card program sponsoring bank.

RISK FACTORS AND UNCERTAINTIES

Please refer to the Company's audited annual consolidated financial statements for the year ended December 31, 2022.

NEW ACCOUNTING PRONOUNCEMENTS

Please refer to the Company's unaudited condensed consolidated interim financial statements for the period ended September 30, 2023, and the year ended December 31, 2022.

DEFINITIONS – IFRS, ADDITIONAL GAAP AND NON-GAAP

IFRS MEASURES

Cost of sales

Cost of sales consists of expenses related to servicing the customers instant pay and mobile banking solutions. These expenses include interchange and related network fees, ATM (Automated Teller Machine) fees, card set-up / printing / shipping costs, and customer support expenses for resources directly associated with the cost of services.

Gross profit and gross profit margin

Gross profit is net revenue less cost of sales while gross profit margin is gross profit divided by net revenue.

ADDITIONAL GAAP MEASURES

Professional fees

Professional fees consist of expenses the Company incurs in the normal course of business to procure the services of individuals or businesses highly skilled in a particular field which includes, but is not limited to legal, recruitment, audit and taxation, and capital markets. These fees are primarily for a fix duration and for tasks with a finite duration and limited scope.

Consulting fees

Consulting fees consist of expenses incurred primarily for contract labour required for an indefinite period with a broad mandate that will evolve as the business needs dictate. At times management judgement will be required in determining the classification between consulting fees and professional fees when a service lies outside of the defined categories in the respective definitions.

Public company and regulatory

Public company and regulatory expenses consist mainly of expenses associated with public company filings, management of the Company's listing on the CSE, equity administration and management, and investor relations activities such as outreach and marketing.

Office and general in operating expenses

Office and general expenses include software and other computer expenses, internal compliance expense, donations, dues and fees, equipment leases, insurance, facilities, telecom, and office supplies and maintenance expenses.

Finance costs

Finance costs consist of interest charged on our long-term debt facility, amortization of deferred financing costs and accretion expense. The deferred financing costs are amortized using the effective interest method over the term of the loan.

Loss from operations

Loss from operations exclude foreign exchange loss, income taxes, finance costs and change in fair value of derivative liability. We consider loss from operations to be representative of the activities that would normally be regarded as operating for the Company. We believe this measure provides relevant information that can be used to assess the performance of the Company and therefore, provides meaningful information to investors.

KEY PERFORMANCE INDICATORS (non-GAAP and non-IFRS)**Gross Dollar Value (“GDV”)**

Gross dollar value loaded is the aggregate amount of all dollars loaded on to the Company’s platform by employers either through the Today Tips program or as requested by employees through the Anyday Earned Wage Access program. This is measured on a monthly, quarterly, and annual basis.

EBITDA

EBITDA means net income (loss) before amortization and depreciation expenses, foreign exchange (gain) loss, amortization of deferred income, finance and interest (income) costs, current tax expense and change in fair value of derivative liability.

Adjusted EBITDA

Adjusted EBITDA adjusts EBITDA for share-based compensation expense, transactional gains or losses on assets, asset impairment charges, loss on extinguishment of debts, gains or losses from changes in fair value of derivative financial instruments and contingent consideration liabilities measured at fair value through profit or loss, gains or losses from disposals of equipment, net income or loss from equity accounted investees, restructuring costs and non-recurring expense items. Non-recurring expense items are transactions or events which management believes will not re-occur within the foreseeable future and includes legal and professional fees related to claim settlements, acquisition, divestiture and going public transaction. See “Results of Operations - EBITDA and Adjusted EBITDA” for reconciliation of net income (loss) to each of EBITDA and Adjusted EBITDA.

Current Active Users

The Company classifies Current Active Users as those wallet holders who have had at least one transaction in their account in the most current reported month of the reporting period.