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XTM, Inc.

(OTCXB:XTMIF)

XTMIF: How Can Customers Say No to XTM's Digital Employee Payout Solution When It's Free?

Based on an average enterprise value to sales of its peers of 5.3 times EV/2022 Estimated Sales, we believe XTM stock would be worth US\$0.33.

Current Price (02/18/22) US\$0.29
Valuation US\$0.33

OUTLOOK

XTM is a Toronto-based fintech company that provides a fast and cost-effective way for employers to pay out earnings and gratuities to their employees through a mobile wallet paired with a prepaid debit card. Its solution is provided completely free to the business as XTM generates revenues from a portion of the ATM, ACH, and interchange fees charged to merchants by card issuers and banks. XTM's solutions work as stand-alone or integrated with many major POS platforms. The company has generated most of its revenues in Canada but has just penetrated the US market and is rolling out services there with its new card issuer partner in the US (The Bancorp).

SUMMARY DATA

52-Week High US\$0.36
52-Week Low US\$0.25
One-Year Return (%) 1.3
Beta N/A
Average Daily Volume (sh) 205,316

Shares Outstanding (mil) 168.7
Market Capitalization (\$mil) US\$48.9
Short Interest Ratio (days) N/A
Institutional Ownership (%) 0
Insider Ownership (%) 3.2

Annual Cash Dividend \$0.00
Dividend Yield (%) 0.00

5-Yr. Historical Growth Rates
Sales (%) N/A
Earnings Per Share (%) N/A
Dividend (%) N/A

P/E using TTM EPS N/A
P/E using 2022 Estimate N/A
P/E using 2023 Estimate N/A

Risk Level High
Type of Stock Small Growth
Industry Financial Trans

ZACKS ESTIMATES

Revenue

(in millions of CNS)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2020	0.2 A	0.2 A	0.2 A	0.3 A	0.9 A
2021	0.3 A	0.4 A	0.9 A	0.9 E	2.4 E
2022	0.9 E	1.8 E	3.5 E	5.8 E	12.0 E
2023					24.4 E

EPS

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2020	-\$0.01 A	-\$0.01 A	-\$0.00 A	-\$0.02 A	-\$0.04 A
2021	-\$0.01 A	-\$0.01 A	-\$0.01 A	-\$0.01 E	-\$0.03 E
2022	-\$0.01 E	-\$0.01 E	-\$0.00 E	\$0.00 E	-\$0.01 E
2023					\$0.00 E

Zacks Projected EPS Growth Rate - Next 5 Years % N/A

KEY POINTS

- It is not often you come across a product that is offered free to customers, and saves them time and effort. XTM's *Today*™ solution does just that for employers who are becoming increasingly pressured to provide Earned Wage Access to their employees for both gratuities and earnings. The *Today program* mainly generates revenues from a cut of the interchange fees the card issuers charge merchants making the decision for employers to sign up a no-brainer.
- *Today* is a SaaS solution that provides employers software and a payment platform to calculate and pay out gratuities and earnings to its employees in a simpler and faster way. Rather than stuffing envelopes with cash, employers pay electronically, providing employees with payment to their free mobile wallets whereby they can move money, pay bills and buy in-store or online with their VISA or MasterCard debit cards. This saves the employer time and effort while giving employees the opportunity for immediate payment of earnings as well as the app to track those earnings and spending.
- XTM's Gross Dollar Value (GDV) loads grew more than 600% over the past 11 months and it added 230% more new clients in Q4 2021 compared with Q4 2020. It currently has approximately 50,000 client employees using its wallet/app and Visa/Mastercard solution.
- The revenues generated in Canada were impacted by the country's COVID dining restrictions although the company leveraged the hospitality down-time to sign the majority of Canada's restaurant groups. Approximately 50% of the company's Canadian revenues come from restaurants in Ontario where operations were significantly suppressed by the government. XTM is working to reduce its dependency on that geographic region and Canada, and is focusing on US sales. When Canada reopens, sales should spike.
- In November XTM announced it is now a partnership with The Bancorp as its issuer bank in the US. The Bancorp is the top issuer of prepaid card volume, and accounts for over 300 billion in annual processing volume with over 150 million active accounts in U.S. distribution. This has allowed XTM to enter the US market with a prepaid VISA card.
- In Q1 it plans to roll out a cash-back program that is currently in pilot with 1,500 Today members and plans to roll out a fully POS integrated Tip Pooling module that will be offered for a monthly fee on a per location basis adding additional revenue streams.
- The company plans to grow internally and by acquisition. Ultimately it hopes to provide services such as payroll processing as well as a fully integrated restaurant management platform addressing the unique needs of the hospitality industry vertical.
- The company has a fully diluted enterprise value of US\$43 million (CN\$55 million) and trades at an EV to 2022 sales ratio of 4.6 times. This compares with peers who trade at 5.3 times. Should revenues double and multiples remain the same, the stock could increase more than 100% by 2023.

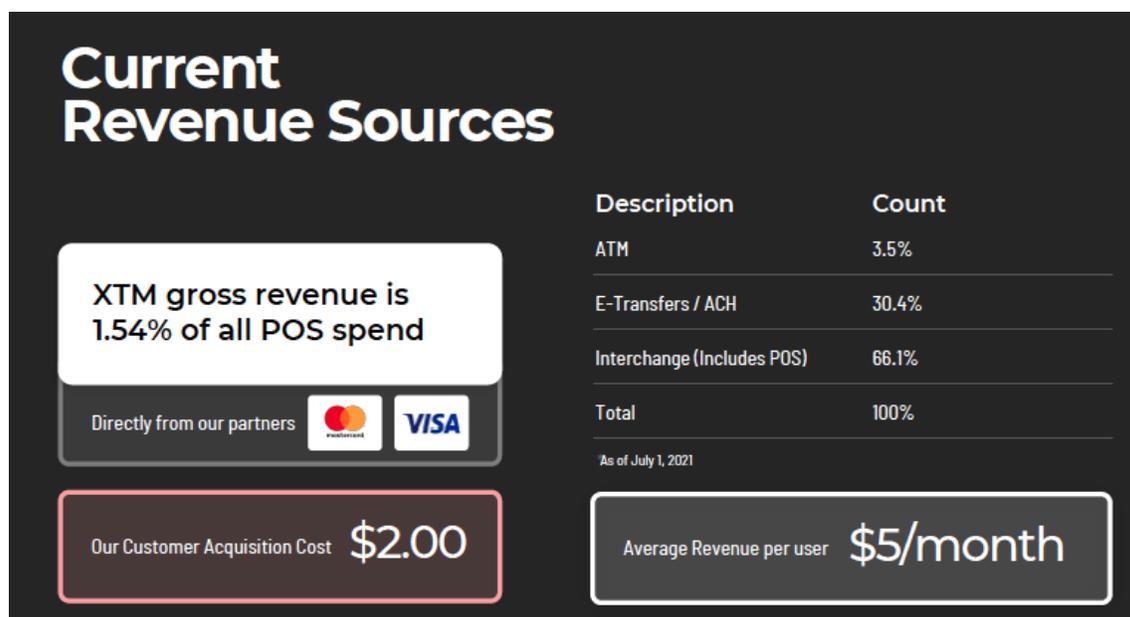
OVERVIEW

XTM was founded in 2005 and entered the fintech space in 2018. It is headquartered in Toronto with a base in Miami and employs 35 people. It currently focuses on the hospitality payment space where earnings and gratuities are a significant pain-point with high demand for same day earnings. Almost 100% of revenues

come from Canada but it is starting to serve restaurants in the US. It provides software and services to employers who need to distribute same-day earnings and gratuities to their employees. While these are primarily restaurants, this also applies to service industries such as salons and hotels. Currently in Canada, restaurants were paying out gratuities by handing out cash, a labor-intensive process that often required a trip to the bank to withdraw the cash that does not exist with credit and debit cards now being the main form of patron payment. XTM's solution provides employers with software to pay employees with a completely digital process, for free, by loading earnings and gratuities onto their employees' free mobile wallet paired with a prepaid debit card. XTM mainly generates revenues through its share of interchange fees from card issuers and is free to both the employer and the employee. The employee gets a MasterCard in Canada and a VISA debit card in the US that can be used wherever they are accepted. Employees can spend what is in their wallets, transfer funds to their bank, or take cash out of an ATM. On any amounts spent at a point of sale online or in-store, XTM collects a portion of the interchange fee. XTM collects 1.59% of the transaction, which is what XTM books as gross revenues. After paying bank fees, XTM keeps approximately 0.8% as its gross margin.

According to the table below, XTM is currently generating about \$5 per employee per month, and about 66% of the balance on the cards is being spent at POS and generating interchange fees, while 30% gets transferred to bank accounts and a small amount is withdrawn at ATMs. The company hopes to encourage more POS spending as a percent through its new cash back program.

Figure 1. XTM Revenue Sources



Source: XTM

How it Works for Employers

Using XTM's service is simple and fast. The employer just accesses the Today Program XTM software through their own customized portal and uploads a CSV file, and presses send to pay each individual employee simultaneously. The money is transferred to the employee's wallet and the employee receives text message that their payment has arrived. The balance refreshes in their mobile wallet as reflected in their mobile application. It is that simple. Tipstoday can be integrated through an API to various POS systems

such as Square, Clover, Lightspeed, Toast, and Blackfox eliminating the upload step. Many customers choose to stay with a manual solution as they change POS vendors frequently.

XTM believes it offers one of the only free, integrated hospitality and service worker solutions that is fully compliant with all pay card, wage and gratuity disbursement rules and regulations in all 50 States and Canada. Until recently, Tipstoday was only available in Canada as the company needed to get a US bank issuer for prepaid cards in the US. It now has one, and recently XTM added the US locations of its current customer Earls and Dominos. It expects to be adding US locations of other current customers shortly and will now ramp its sales efforts in the US. XTM serves more than 2,000 restaurants and loads wallets every day for approximately 50,000 customer employees. A few of its biggest customers are Earls, Domino's Pizza, and Cactus Club though no customer is over 5% of sales.

Figure 2. Current XTM Customers



Source: XTM

Future Revenue Sources

Soon the company will be launching a new tip pooling module branded Today Tippool that calculates the distribution of gratuities to employees. XTM acquired this capability with its July acquisition of the assets of Tiproll. The company expects to roll it out fully in Q1 2022. The platform allows employers hundreds of combinations of rules to determine tip allocation, including percentage based, point system based, employee specific, position specific, combinations of all and more. XTM plans to charge for Tippool on a per store basis with pricing planned to be about \$99 per month. It is in talks with a large Canadian restaurant chain with 1,400 restaurants and if they are landed, could as much as \$1.7 million in annualized revenue from that add-on product alone.

Another revenue source in the process of being rolled out is from cash-back rewards. XTM thinks this could add \$2 per employee per month to its revenues. It has white labeled a cash back reward system and will earn 30% of that reward from its provider. This provider has deals with various retailers that allow it to collect

a certain percent of any sale made through their customer's cards. This will allow XTM to reward its prepaid card users with cash back rewards earned from various retailers. XTM earn 30% of the rewards generated by its cardholders. This will make their prepaid cards more desirable by employees as well as encourage them to spend the money on their cards at stores rather than transferring the balance to their bank accounts or taking cash out of an ATM. As a result XTM will earn even higher revenue per employee through interchange fees as well. The restaurant chain Joey's started using the cash back reward program about a month ago, and XTM is currently rolling it out through its customer base.

Microcredit loans is another revenue source XTM is exploring. After an employee has a track record of earnings, XTM is looking to create a program where certain employees will be able to get small advances of their pay for a flat fee of \$4.99 a month. These advances would be in the \$100-\$150 range for an overdraft on the prepaid cards. In order to do this, XTM has set up GDA digital accounts with banks.

MARKET DATA

- According to the National Restaurant Association, restaurant industry sales in 2020 were \$659 billion in the US and employed 12.5 million workers at the end of 2020. Food and beverage sales in the restaurant and foodservice industry are projected to total \$789 billion in 2021, up 19.7% from 2020. In November the Bureau of Labor Statistics reported the foodservice industry added 11,000 jobs in November, growing to 11,551,000 workers in the US.
- The Canadian restaurant foodservice business was over CN\$90 billion in 2020 and had 1.3 million employees according to Forbes.

COMPETITION

The main competition to XTM is the traditional labor-intensive way restaurant managers typically pay out tips. This usually is by checking the POS system at the end of the night for how much each employee earned, checking the till and/or going to the bank to get cash, and stuffing envelopes with cash in the correct amount and handing them out. This typically happens on a weekly basis. Sometimes these calculations can be even more complicated if tips are pooled. Many POS systems cannot calculate pooled tips or other schemes.

Companies other than XTM that provide a tips solution using debit cards are:

CloudPay

CloudPay is based in the UK and provides managed global payroll and treasury services to multinational organizations through a unified global payroll solution. It has had over \$206 million in funding with the most recent in August. It was founded in 1996 and has approximately 716 employees. CloudPay connects payroll, payments, and on-demand pay through a unified platform. It sells in over 130 countries and has over 1500 multinational companies as clients. It is reported to have generated \$49 million in revenue in 2021 and serves 4,000 customers.

Rain Instant Pay

Rain is a private company founded in 2019 with 120 employees and based in Santa Monica, CA. It provides an app based wage payment system that integrates with most payroll systems that is free to employers. It

has had \$12.6 million in venture funding. The Rain app provides access to wages and financial wellness information. It has operations in the U.S., Brazil, and India. Rain also integrates with payroll and timekeeping vendors. Employees access their pay any day of the week and use a free pay card, instantly access tips after a shift, and access tools such as a credit score builder and financial literacy materials. Rain also is able to offer deep discounts on dozens of other voluntary benefits such as prescriptions and dental care.

Payfare

Payfare (PAY.TO) is a public Toronto-based company founded in 2015 that provides instant payment and mobile banking solutions to gig economy workers. It offers the app-based Payfare platform solution for worker pay. It serves customers in North America, Latin America, Europe, and the Asia-Pacific. XTM's CEO has been a Senior Marketing Advisor at Payfare Mastercard since 2015. Payfare employs more than 60 people and is projected to generate CN\$40 million in sales this year and over CN\$90 million next.

DailyPay

DailyPay is a private company based in NYC and operating in Minneapolis with approximately 500 employees. It has raised \$514 million in funding. Its last funding round on May 18, 2021 valued it over a billion dollars. It provides on-demand pay for employers that want to give employees access to their earned wages, instantly, between paychecks. It also allows employees to save on the app and collect bonuses and rewards. In January it introduced its Digital Wallet that fills with an employee's pay on a daily basis giving workers instant access to their pay. Its has over 300 customers including Dollar Tree, Kroger, Berkshire Hathaway, HCA Healthcare, and Six Flags Entertainment and works with over 6000 financial institutions.

Branch

Branch is a private company founded in 2015, based in Minneapolis, with \$558 million in funding, and a post-money valuation in the range of [\\$100M to \\$500M](#) as of Aug 17, 2021, according to [PrivCo](#). It offers enterprises a faster, free solution to deliver on-demand payments and empower their employees and contractors with tools including digital payouts of tips, wages, and off-cycle payments, earned wage access, fee-free banking, and pay card alternative. Branch recently added support for contractor payments and reporting, offering a more streamlined, uniform payments experience for businesses and their 1099 workers.

Toast

Toast (NYSE: TOST) offers a POS system for the restaurant industry. It provides solutions to over 40,000 restaurants including payroll and payment processing. Toast is based in Boston and has a \$15 billion market cap. Toast Tips Manager automatically calculates and transfers pooled tips to [Toast Payroll & Team Management](#). Employees can receive a portion of pooled tips and wages instantly on their [Toast Pay Card](#) with Toast PayOut. Toast Pay Card and PayOut are all offered at zero cost to employer or employee.

NetSpend

NetSpend is a Global Payments (NYSE: GPN) company and is a leading provider of FDIC-insured Visa Prepaid, Prepaid Mastercard, and corporate prepaid card solutions through its issuing banks in the United States. It offers prepaid debit cards that can be used to pay employees. Tips can be loaded to an optional Skylight ONECard so employees don't have to walk out carrying cash and there's less need to bring cash in-store for tip-outs.

FINANCIALS

First Nine Months of 2021

In the first nine months of 2021, XTM generated \$1.5 million in revenue up from \$0.6 a year ago, up 163%. Gross margin improved to 42.2% from 29.1% as the company absorbed startup costs. It expects margins to continue to improve. Gross margin dollars increased 282% to \$639,000 from \$167,000 a year ago.

Operating expenses increased to \$3.5 million from \$2.0 million a year ago. The majority of the increase was in salaries and benefits as the employee count increased to xx from xx. It rose \$527,000. Stock-based compensation was \$194,000 higher in 2021 than in 2020. The pretax loss was \$2.9 million this year and \$1.9 million last. The net loss was \$2.8 million this year compared to \$1.6 million last year resulting in a loss per share of \$0.021 versus \$0.018. The average share count increased 48% during that time.

Balance Sheet

On September 30, 2021, XTM had \$2.3 in cash, \$2.2 in working capital and \$64,000 in debt. In the first nine months of 2021, it had negative cash flow (ex-changes in working capital) and free cash flow of \$2.4 million. Adjusted EBITDA for the first nine months was a negative \$2.4 million compared to a negative \$2.2 million last year.

On October 1, after the quarter ended, the company closed an oversubscribed non-brokered private placement offering of 21,398,256 units at \$0.40 per unit, for gross proceeds of \$8,559,302. Each unit consists of one common share and one warrant exercisable at \$0.65 for a period of 24 months. At its current burn rate of \$200,000 to \$300,000 per month, that should give XTM approximately 14 months of runway. As of January 31st, the primary shares outstanding were 168.7 million.

VALUATION

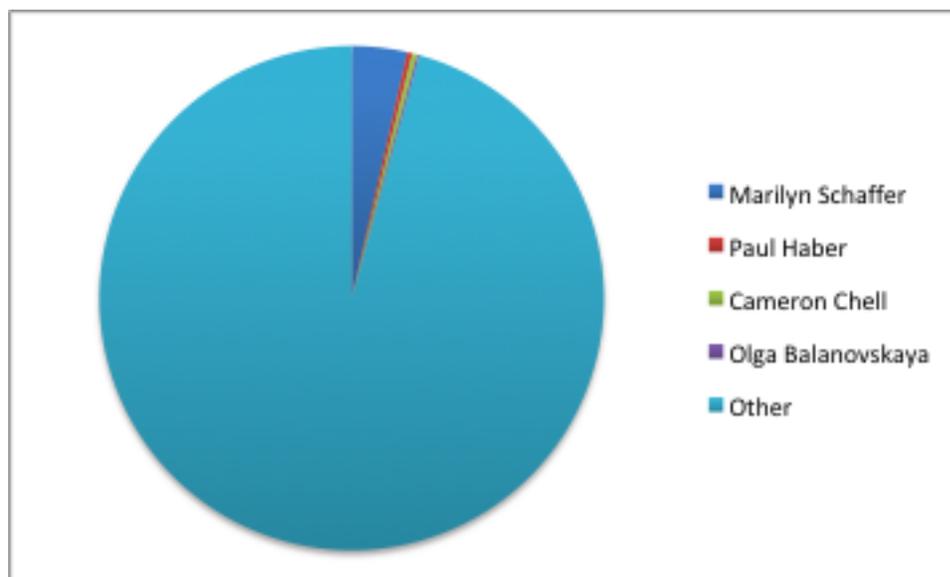
In valuing XTM we look to a number of services companies in the payment space and those focused on the restaurant and hospitality verticals. We see that on average they trade at 5.3 times enterprise value to 2022 revenue forecasts. Using that multiple and applying it to XTM gets us an enterprise value of US\$50 million, a market cap of US\$57 million and a stock price of US\$0.33 (CN\$0.43) using a fully diluted share count of 171 million shares.

Company	Ticker	Cal. Revenue 2022E	Cal. Revenue 2021E	LTM	TTM EBITDA	2022E	Enterprise Value / Sales 2021E	LTM	EV/ EBITDA	Enterprise Value	EBITDA Margin
Fintech Platforms											
Affirm	AFRM	\$1,598	\$1,120	\$1,120	-\$553	7.2x	10.3x	10.3x	-20.9x	11,569	-49.4%
EVERTEC	EVTC	\$613	\$580	\$569	\$238	5.5x	5.8x	5.9x	14.2x	3,380	41.9%
EVO Payments	EVOP	\$553	\$497	\$480	\$238	4.4x	4.8x	5.0x	10.1x	2,410	49.6%
Flywire	FLYW	\$238	\$182	\$183	\$8	9.6x	12.5x	12.5x	273.9x	2,279	4.5%
Global Payments	GPN	\$8,470	\$8,520	\$8,520	\$3,450	5.8x	5.7x	5.7x	14.2x	48,900	40.5%
i3 Verticals	IIIV	\$308	\$253	\$253	\$27	3.6x	4.3x	4.3x	40.3x	1,094	10.7%
Lightspeed POS	LSPD	\$670	\$484	\$484	-\$127	5.4x	7.5x	7.5x	-28.4x	3,614	-26.3%
Marqeta	MQ	\$661	\$498	\$450	-\$134	5.6x	7.5x	8.3x	-27.8x	3,725	-29.8%
Nuvei	NVEI	\$954	\$722	\$627	\$229	8.2x	10.9x	12.5x	34.3x	7,834	36.5%
Paya Holdings	PAYA	\$283	\$246	\$236	\$51	3.2x	3.7x	3.8x	17.7x	908	21.7%
Payfare	PAY.TO	\$91	\$40	\$30	-\$20	3.3x	7.6x	10.1x	-15.4x	303	-65.9%
Paymentus	PAY	\$492	\$396	\$396	\$30	5.5x	6.9x	6.9x	92.3x	2,723	7.5%
PayPal	PYPL	\$29,400	\$25,370	\$25,370	\$5,210	4.1x	4.7x	4.7x	23.1x	120,300	20.5%
Paysafe	PSFE	\$1,540	\$1,470	\$1,490	\$333	2.8x	2.9x	2.9x	12.9x	4,300	22.3%
Repay	RPAY	\$293	\$221	\$199	\$48	6.8x	9.0x	10.0x	41.1x	1,985	24.3%
Sezzle	SEZNL	\$283	\$171	\$104	-\$44	0.9x	1.6x	2.6x	-6.1x	266	-42.0%
Shopify	SHOP	\$7,670	\$4,610	\$4,610	\$445	10.0x	16.6x	16.6x	171.7x	76,449	9.7%
Square	SQ	\$18,830	\$17,680	\$16,740	\$430	2.9x	3.1x	3.2x	125.5x	54,036	2.6%
Toast	TOST	\$2,380	\$1,705	\$1,705	-\$207	4.0x	5.5x	5.5x	-45.5x	9,425	-12.1%
WEX	WEX	\$2,080	\$1,850	\$1,850	\$612	4.4x	4.9x	4.9x	14.8x	9,065	33.1%
Zip Co.	Z1P.AX	\$966	\$682	\$397	-\$260	3.4x	4.9x	8.3x	-12.8x	3,313	-65.4%
Average					548	5.3	7.0	7.4	42.9	19,107	

RISKS

- XTM relies almost 100% on revenues from restaurants in Canada and is affected by the whims of the Canadian government that unpredictably shuts down restaurants and limits seating capacity as a response to the pandemic.
- Companies that provide POS software and services to restaurants could incorporate tip sharing solutions into their systems and have greater resources to capture market share selling to their installed bases. XTM may find it hard to grow as a single application rather than a full service provider.
- Potential customers may be hesitant to do business with a small money-losing company.

OWNERSHIP



MANAGEMENT

[Marilyn Schaffer](#)

Chairman, President and Chief Executive Officer

Marilyn has been with XTM for 16 years and CEO since 2019. She is also has been a Senior Marketing Advisor at Payfare Mastercard since 2015. From 2014 to 2015 she was CMO at Paymobile and from 1998 to 2011 VP of International Technology Practice at GPC International. She is a serial entrepreneur building her reputation by building the businesses and reputations of others. She founded NEO Communications in the early 2000s and was later acquired by Omnicom (NYSE: OMC). She stayed on at Omnicom until she earned 100% of her earn-out then moved on to fund and start a few other ventures then XTM Inc. She attended the University of Toronto.

[Paul Dowdall](#)

Chief Financial Officer

Paul has 20 years of management experience, with more than eight years at the CFO level with both private and public companies. With global planning, reporting, and analysis processes Paul has managed high performance teams in several organizations. Paul earned a BSc in Computer Science from the University of Western Ontario in 2001 and is a Certified Public Accountant (CPA) in Canada.

[Chad Arthur](#)

Chief Technology Officer

Chad has been the CTO at XTM since August 2020. He has over 10 years of engineering and product experience. He worked at Payfare from 2016 to 2019 and was one the first six hires at Payfare where he headed up the Mobile Development team. Under his leadership he launched the Uber driver Payfare app providing instant payments to Uber drivers.

BOARD OF DIRECTORS

Marilyn Schaffer

Chairman

Randy Khalaf

Randy joined the board in May of 2021. He is currently the CFO, CIO, Treasurer, Corporate Officer, and EVP at Novus International, a US based animal nutrition company where he has worked since 2017. Before that he worked at UGN Inc. from 2008 to 2017 where he was COO and EVP of Strategy. For six year before that he was Finance Director at GKN Driveline. He also has had financial experience at The Limited and Ford. He earned a BPA from University of Windsor in 1990 and an MBA from Wayne State University in 1994.

Cameron Chell

Cameron has been the Chairman & CEO for Draganfly, Inc. (DPRO) a provider of quality, cutting-edge drone solutions, software and AI systems since 2013. He was also CEO of Business Instincts Group, a services firm whose focus is building high-tech startups from 2007 until January of 2021. Cameron has founded and been at the helm of 10 different companies. He is presently: founder and Non-Executive Chairman for ICOX Innovations, Inc., Chairman & Secretary at Ryde Holding, Inc., Chairman and founder at TruTrace Technologies, Inc. (TTT.CN), Chairman & CEO and founder at Pounce Technologies, Inc., Chairman & Secretary at Wenn Digital, Inc., CEO, founder & Tax Director at Business Instincts Group, Inc., founder and CEO of Trace Live Network, Inc. and CFO & Director at Trax One, Inc.

INCOME STATEMENT

Canadian Dollars	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021E	Q1 2022E	Q2 2022E	Q3 2022E	Q4 2022E	2020	2021E	2022E	2023E
	31-Mar	30-Jun	30-Sep	31-Dec	31-Mar	30-Jun	30-Sep	31-Dec	31-Mar	30-Jun	30-Sep	31-Dec				
Gross prepaid card revenue	217,458	266,988	207,006	283,556	256,881	399,618	861,696	900,000	900,000	1,800,000	3,500,000	5,800,000	975,008	2,418,195	12,000,000	24,000,000
Commissions and agent fees	(49,416)	(62,233)	(5,070)	(5,120)	(2,802)	(2,876)	(370)	(360)	(360)	(720)	(1,400)	(2,320)	(121,839)	(6,408)	(4,800)	(9,600)
Net Revenue	168,042	204,755	201,936	278,436	254,079	396,742	861,326	899,640	899,640	1,799,280	3,498,600	5,797,680	853,169	2,411,787	11,995,200	23,990,400
Yr-to-yr Growth					51%	94%	327%	223%	254%	354%	306%	544%	770,662	182.7%	397.4%	100.0%
Cost of service	153,579	187,366	66,626	363,191	180,862	220,753	471,690	495,000	493,200	972,000	1,855,000	2,784,000	770,662	1,368,305	6,104,200	10,085,568
Gross margin	14,463	17,389	135,410	(79,635)	73,217	175,989	389,636	408,000	406,800	828,000	1,645,000	3,016,000	82,507	1,049,890	5,895,800	13,914,432
Gross Margin %	6.7%	6.5%	65.4%	(21.9%)	28.5%	44.0%	45.2%	45.0%	45.2%	46.0%	47.0%	52.0%	9.7%	43.5%	49.2%	58.0%
Operating expenses:																
Salaries and fringe benefits	191,255	243,002	307,750	362,325	401,297	401,227	466,414	475,000	550,000	600,000	800,000	1,000,000	1,104,332	1,743,938	2,950,000	4,000,000
Marketing and promotion	41,647	179,974	65,799	377,434	145,406	65,166	40,657	50,000	150,000	160,000	200,000	500,000	664,854	301,229	1,010,000	1,010,000
Professional fees	110,193	118,396	70,518	103,007	100,249	208,398	220,980	250,000	260,000	270,000	200,000	300,000	402,114	779,627	1,110,000	1,387,500
Consulting	93,507	1,524	42,706	52,044	59,900	141,428	228,273	230,000	240,000	250,000	260,000	270,000	169,781	659,601	1,020,000	1,224,000
Regulatory and listing fees	10,142	9,903	3,942	3,426	52,814	7,650	43,992	43,992	45,000	45,000	45,000	45,000	27,413	148,448	180,000	200,000
Stock-based compensation	-	92,779	-	880,030	44,964	105,597	135,733	50,000	110,000	120,000	160,000	200,000	972,809	336,294	590,000	800,000
Office and general	27,750	34,935	31,583	48,853	46,821	69,554	90,525	100,000	120,000	130,000	140,000	150,000	143,121	306,900	540,000	600,000
Bank charges, interest and accretion	54,547	31,378	44,120	99,324	40,071	31,993	55,865	50,000	55,000	60,000	60,000	60,000	229,369	177,929	235,000	240,000
Rent	11,061	9,339	7,848	(935)	14,101	14,718	28,446	30,000	30,000	30,000	30,000	30,000	27,313	87,265	120,000	120,000
Expected credit losses	-	-	-	2,507	-	-	-	-	-	-	-	-	2,507	-	-	-
Insurance	3,421	6,187	6,195	6,196	6,462	8,074	16,570	17,000	20,000	20,000	20,000	20,000	21,999	48,106	80,000	90,000
Transfer agent fee	-	8,686	3,539	8,123	5,708	122	10,360	10,000	10,000	10,000	10,000	10,000	20,408	26,210	40,000	40,000
Travel, meals and entertainment	15,837	7,333	6,410	8,014	1,926	3,470	14,840	20,000	20,000	20,000	20,000	20,000	37,594	14,840	80,000	100,000
Telephone	1,115	1,179	1,028	1,320	1,126	2,073	1,635	1,800	1,800	1,850	1,900	1,950	4,642	6,634	7,500	7,800
Depreciation and amortization	42,090	41,835	41,923	41,998	42,766	61,734	54,120	50,000	50,000	50,000	50,000	50,000	167,846	208,620	200,000	200,000
Total expenses	602,565	786,450	633,421	1,993,666	963,611	1,121,204	1,408,430	1,377,792	1,661,800	1,766,850	2,076,900	2,656,950	4,016,102	4,845,641	8,162,500	10,019,300
Pretax income	(588,102)	(769,061)	(498,011)	(2,073,301)	(890,394)	(945,215)	(1,018,794)	(972,792)	(1,255,000)	(938,850)	(431,900)	359,050	(3,933,595)	(3,477,336)	(2,058,300)	66,268
Pretax Margin	-350.0%	-375.6%	-246.6%	-744.6%	-350.4%	-238.2%	-118.3%	-108.1%	-139.5%	-52.2%	-12.3%	6.2%	-461.1%	-144.2%	-17.2%	0.3%
Other income	-	98,490	155,629	82,059	3,000	3,000	35,523	3,000	3,000	3,000	35,523	3,000	336,178	44,523	44,523	12,000
Income taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax rate	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Net income	(588,102)	(670,571)	(342,382)	(2,073,301)	(887,394)	(942,215)	(983,271)	(969,792)	(1,252,000)	(935,850)	(396,377)	362,050	(3,597,417)	(3,477,336)	(2,058,300)	66,268
EPS	(0.007)	(0.007)	(0.004)	(0.022)	(0.007)	(0.007)	(0.007)	(0.006)	(0.007)	(0.006)	(0.002)	0.002	(0.036)	(0.025)	(0.012)	0.000
One-time expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-GAAP EPS	(0.007)	(0.006)	(0.004)	(0.013)	(0.007)	(0.006)	(0.006)	(0.006)	(0.007)	(0.005)	(0.001)	0.003	(0.027)	(0.022)	(0.009)	0.005
Shares																
Basic	87,379,750	90,748,465	94,057,345	95,000,000	122,655,566	138,630,992	140,781,033	164,748,760	169,000,000	170,000,000	170,627,364	170,627,364	98,930,730	140,167,776	170,026,103	170,627,364
Yr-to-yr Growth					40%	53%	50%	73%	38%	23%	21%	4%	41.7%	21.3%	21.3%	0.4%
Fully diluted	87,379,750	90,748,465	94,057,345	95,000,000	122,655,566	138,630,992	140,781,033	170,627,364	170,627,364	170,627,364	170,627,364	170,627,364	98,930,730	141,343,497	170,627,364	170,627,364
Adjusted EBITDA	(546,012)	(634,447)	(456,088)	(1,151,273)	(802,664)	(777,884)	(828,941)	(872,792)	(1,095,000)	(768,850)	(221,900)	609,050	(2,792,940)	(2,932,422)	(1,268,300)	1,066,268
Active users	551	4,623	7,519	11,705	11,538	15,982	25,182	35,000	50,000	62,500	75,000	100,000	11,705	35,000	100,000	150,000
Yr-to-yr Growth					1994%	246%	235%	199%	333%	291%	198%	186%	11,705	199.0%	188.7%	50.0%

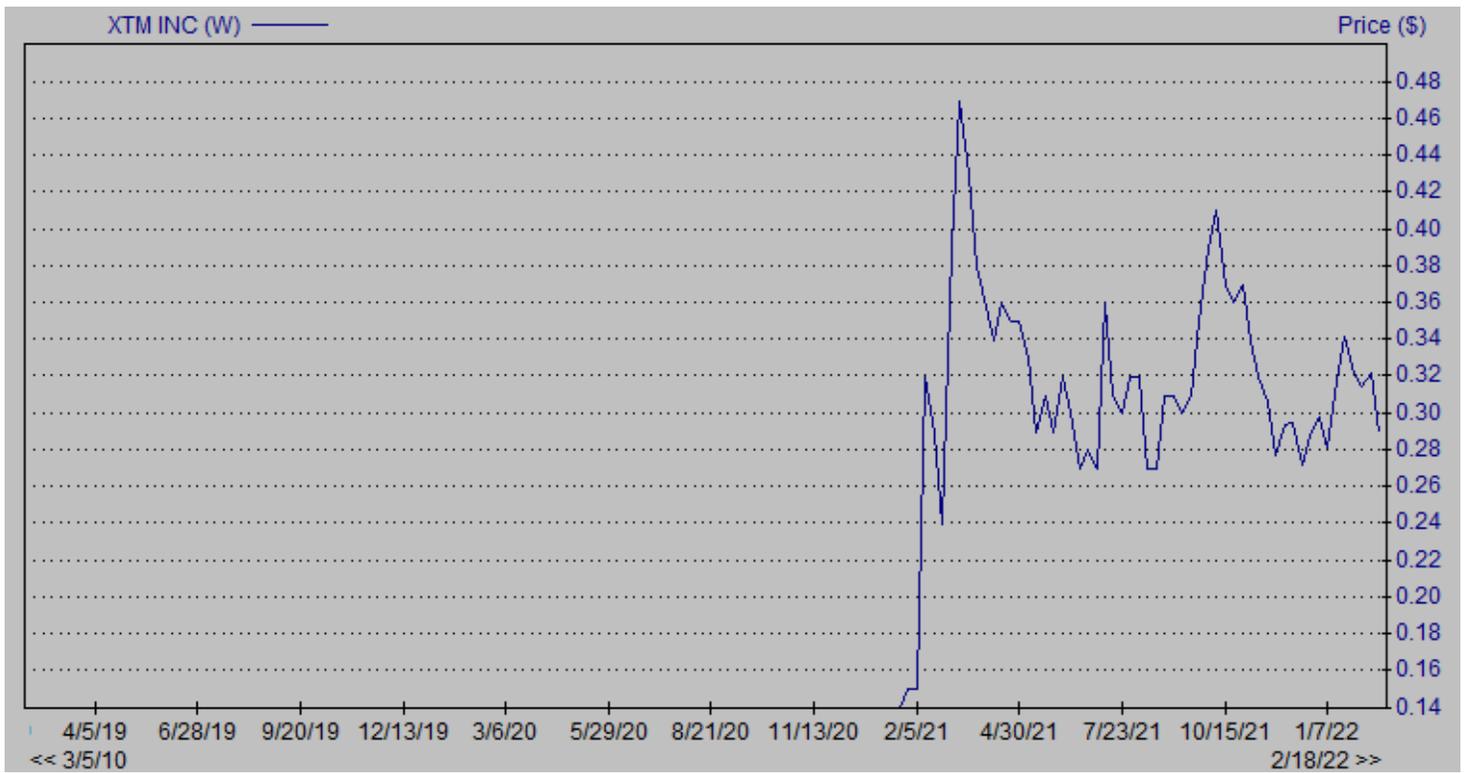
BALANCE SHEET

	Sept 30, 2021	June 30, 2021	Qtr-Qtr % Change	Sept 30, 2020	Yr-Yr % Change
Current assets					
Cash	\$2,303,203	\$3,913,317	-41%	\$59,606	3764%
Cash held in trust & customer deposits	19,126,150	11,037,100	73%	5,805,654	229%
Trade receivables	628,609	204,477	207%	48,229	1203%
Sales taxes receivable	0	16,580	-100%	71,604	-100%
Prepaid expenses	34,432	80,165	-57%	386,162	-91%
Due from related parties	333,854	333,854	0%	260,254	28%
Total current assets	22,426,248	15,585,493	44%	6,631,509	238%
Property and equipment, net	82,025	89,869	-9%	144,475	-43%
Intangible assets	148,634	178,277	-17%	72,920	104%
Goodwill	920,000	920,000	0%	920,000	0%
TOTAL ASSETS	23,576,907	16,773,639	41%	7,768,904	203%
Current liabilities					
Accounts payable and accruals	1,041,000	603,959	72%	560,017	86%
Client funds	19,126,150	11,037,100	73%	5,805,654	229%
Sales tax payable	9,625	0	NA	0	NA
Due to related party	63,533	63,533	0%	86,866	-27%
Current portion of lease liabilities	9,176	30,903	-70%	18,772	-51%
Loan payable	0	2,000,000	0%	0	NA
Total current liabilities	20,249,484	13,735,495	47%	6,471,309	213%
Long-term liabilities					
CEBA loan	50,511	52,674	-4%	0	NA
Lease liabilities, net of current	0	0	NA	63,330	-100%
Loan payable	0	0	NA	450,281	-100%
Total long-term liabilities	50,511	52,674	-4%	513,611	-90%
TOTAL LIABILITIES	20,299,995	13,788,169	47%	6,984,920	191%
Stockholder's equity					
Share capital	11,570,258	10,043,488	15%	4,324,651	168%
Units to be issued	90,000	90,000	NA	0	NA
Contributed surplus	297,920	346,865	-14%	209,499	42%
Warrant reserve	599,997	803,997	0%	722,743	-17%
Deficit	(9,281,263)	(8,298,880)	12%	(4,472,909)	107%
Total stockholders' equity	3,276,912	2,985,470	10%	783,984	318%
Total liabilities and stockholders' equity	\$23,576,907	\$16,773,639	41%	\$7,768,904	203%
Quick Ratio	1.1	1.1	-2%	1.0	8%
Working Capital	2,176,764	1,849,998	18%	160,200	1259%
Net cash	2,303,203	3,913,317	-41%	59,606	3764%
Net cash as % of assets	10%	23%	-58%	1%	1173%
Debt	63,533	2,063,533	-97%	86,866	-27%
Debt % of assets	0%	12%	-98%	1%	-76%

CASH FLOW

	Year 2020	3 Mo. Ended 3/31/21	3 Mo. Ended 6/30/21	3 Mo. Ended 9/30/21
Operating activities:				
Net income	(3,597,417)	(887,394)	(942,215)	(982,379)
Non-cash items				
Share-based compensation	972,809	37,464	40,563	208,267
Accretion of debt & debt discount of loan pay	70,253	4,792	1,561	(3,901)
Depreciation of property & eqt	97,846	25,266	32,091	24,477
Amortization of intangibles	70,000	17,500	28,643	30,643
Interest on lease liabilities	10,584	1,918	1,418	679
Expected credit loss	2,507	-	-	-
Changes in working capital accounts				
Trade receivables	11,981	(88,485)	(8,869)	(424,132)
Sales taxes	(20,536)	(8,415)	67,158	26,205
Prepaid expenses	36,867	93,011	(21,685)	45,733
Cash held in trust	(3,575,431)	(2,021,135)	(2,862,181)	(8,089,050)
Accounts payable and other liabilities	(134,326)	133,826	(155,379)	428,394
Client funds	3,575,431	2,021,135	2,862,181	8,089,050
Net cash used by operating activities	(2,479,432)	(670,517)	(956,714)	(646,014)
Investing activities:				
Property and equipment	(11,982)	(9,918)	(5,202)	(16,633)
Purchase of intangible assets	(170,000)	-	-	-
Net cash used in investing activities	(181,982)	(9,918)	(5,202)	(16,633)
Financing activities:				
Advance from related parties	(98,600)	(31,600)	-	-
Advances to related party	(145)	(20,250)	(42,500)	-
Advances from loan receivable	150,000	-	-	-
Advances from loan payable	250,000	-	2,000,000	(2,000,000)
Advances from government loans	60,000	-	-	-
Loan conversion	-	(500,000)	39,953	-
Units to be issued	-	25,000	65,000	-
Repayment of lease liabilities	(68,057)	(20,512)	(21,012)	(25,766)
Proceeds from subscriptions receipts	595,945	-	-	-
Proceeds from share issuance	1,135,543	1,694,999	-	-
Share issuance costs	(66,098)	(74,350)	5,627	(75,392)
Proceeds from exercise of warrants	672,352	1,582,409	540,550	1,050,550
Proceeds from exercise of options	313,861	47,250	(21,750)	143,184
Net cash used in financing activities	2,944,801	2,702,946	2,565,868	(907,424)
Foreign exchange affecting cash	-	-	-	(39,042)
Net change - cash	283,387	2,022,511	1,603,952	(1,609,113)
Cash, beginning	2,466	285,853	2,308,364	3,912,316
Cash, end of period	285,853	2,308,364	3,912,316	2,303,203
Cash flow - ex changes in working capital	(2,375,925)	(800,454)	(837,939)	(722,214)
Free cash flow	(2,387,907)	(810,372)	(843,141)	(738,847)

HISTORICAL STOCK PRICE



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