

XTM Inc. FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: XTM Inc. (the "Issuer").

Trading Symbol: **PAID**

Number of Outstanding Listed Securities: **165,708,427**

Date: **January 5, 2022**

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

On December 22nd, 2021, the Company provided an end of year business update highlighting the following:

Gross Dollar Value (GDV) loads through our platform grew more than 600% over the past 11 months.

GDV loaded on the company's platform from October 1, 2021 to mid-December 2021 was just under \$60 million compared to just less than \$40M for the same period in Q3 from July 1, 2021 to mid-September 2021 representing an increase of more than 50%. GDV is key performance indicator as the Company generates revenue when money is spent, moved or transferred from the Today wallet.

To date in Q4 2021, XTM has grown its member activations by >250% compared to December 22, 2020.

XTM has signed new service industry verticals namely hotels that include 1 Hotel and Hotel X, golf courses and ski resorts.

With an oversubscribed private placement that closed October 2021 with gross proceeds of \$8.5M XTM is well funded for organic growth, US expansion and poised for acquisitions.

XTM launched the Today program in the US with the full commercial roll-out of clients in queue to continue after the holidays in early January 2022.

XTM launched a cash-back program this month that is currently in pilot with 1,500 Today members soon to be rolled out to all members.

XTM acquired Tiproll in July and is piloting its own fully, POS integrated Tip Pooling solution in Q1 2022.

XTM was chosen by multiple arenas and stadiums across Ontario, most recently in Calgary, to pay out service staff safely and expeditiously at the end of each event as concert ticketholders, and sports fans returned to arenas/stadiums this past summer.

The Company is completing its integration with RASI and will begin rollout early Q1. RASI (Restaurants Accounting Services, Inc.) is one of the largest fully integrated end-to-end finance platforms for the hospitality sector utilizing technology for Finance as a Service (FaaS) including payroll in all 50 states.

Ten new members joined the XTM team including Jason Giagrande, Head of Business Strategy, US and Paul Dowdall, CFO to support current and expected North American growth.

XTM's b2b model thrives with 230% growth of new clients compared to Q4 2020.

2. Provide a general overview and discussion of the activities of management.

We continue to support revenues from our legacy business and the new projects that were implemented during FY 2020 and throughout FY 2021, primarily involving the Today program integrations with numerous clients in the hospitality industry.

Management continues to explore other opportunities for additional revenue streams and is currently in the process of undertaking the US expansion project, having brought on a US executive to head-up the expansion in June 2021. A major component of this expansion is the Company's integration with RASI which will begin rollout early Q1. RASI (Restaurants Accounting Services, Inc.) is one of the largest fully integrated end-to-end finance platforms for the hospitality sector utilizing technology for Finance as a Service (FaaS) including payroll in all 50 states.

The Company continues maintaining a company wide COVID-19 risk mitigation policy to protect the health and safety of our staff, clients, and community.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

N/A

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

N/A

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

N/A

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

N/A

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

N/A

8. Describe the acquisition of new customers or loss of customers.

N/A

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trademarks.

N/A

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

See #1

11. Report on any labour disputes and resolutions of those disputes if applicable.

N/A

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

N/A

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

N/A

14. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds⁽¹⁾
Common Shares	500,000	Option exercise	\$85,000 to support current operations and US expansion / development

(1) State aggregate proceeds and intended allocation of proceeds.

15. Provide details of any loans to or by Related Persons.

N/A

16. Provide details of any changes in directors, officers or committee members.

N/A

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

As XTM's unicorn vertical is hospitality, the COVID-19 lockdowns and restrictions imposed challenges to the Company's business. The Company is consistently looking for ways to monetize its user base with essential products such as credit.

The recent re-implementation of lock down measures to address rising COVID-19 case counts in Canada has impacted the Company's main client base, restaurants, primarily through reduction / elimination of indoor dining. The Company views this as a near term risk and continues to monitor the governments reaction to COVID-19 while working to support its hospitality partners through this business disruption.

The Company's stock has been holding its price at approximately ~\$0.38/share with a respectable amount of volume.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: **January 5, 2021**

Marilyn Schaffer

Name of Director or Senior
Officer



Signature

CEO, President

Official Capacity

<i>Issuer Details</i> Name of Issuer XTM Inc.	For Month End December 31, 2021	Date of Report YY/MM/DD 22/01/05
Issuer Address 437-67 Mowat Avenue		
City/Province/Postal Code Toronto, ON M6K 3E3	Issuer Fax No. ()	Issuer Telephone No. (416)-260-1641
Contact Name Marilyn Schaffer	Contact Position CEO, President	Contact Telephone No. (416)-260-1641
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