

XTM Inc. FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: **PAID**

Number of Outstanding Listed Securities: **139,416,672**

Date: **August 5, 2021**

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

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 July 7, 2021, the Company announced a partnership with The Fifteen Group to promote XTM's Tipstoday gratuity solution throughout the North American hospitality industry.

On July 13, 2021, the Company announced that it had closed on the acquisition of Tiproll, a gratuity pooling software solution. XTM plans to have the Tiproll integration complete in August 2021.

On July 16, 2021, the Company announced that its Tipstoday mobile and card solution will be in place when Toronto FC returns to BMO field this weekend.

On July 21, 2021 the Company announced that it will host a shareholder update call on July 27, 2021.

1. 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 the beginning of 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, bringing on a US executive to head-up the expansion.

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

2. 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

3. 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

4. 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

5. 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

6. 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.

The Company acquired the Tiproll tip pooling software solution during the month of July. The nature of the assets are the software/intangible assets and intellectual knowledge of the founder related to the functionality of the program.

The consideration paid in the acquisition was comprised of a 100% equity payment, and the Company being acquired is considered an arm's length party that operated in a similar competitive landscape as XTM's Tipstoday program.

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

N/A

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

N/A

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

N/A

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

N/A

11. 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

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

N/A

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

Security	Number Issued	Details of Issuance	Use of Proceeds⁽¹⁾
Common Shares	1,291,666	Exercise of warrants / Tiproll acquisition	\$262,800 – Support US expansion & development
Common Shares	56,250	Director Compensation	N/A

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

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

N/A

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

N/A

16. 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 lockdowns imposed due to COVID-19 continue to pose 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 beginning of re-openings across Canada are a positive sign for potential increases in revenue throughout the remainder of the fiscal year.

The Company's stock has been holding its price at approximately ~\$0.40/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: **August 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 July 31, 2021	Date of Report YY/MM/DD 21/08/05
Issuer Address 437-67 Mowat Avenue		
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Contact Name Marilyn Schaffer	Contact Position CEO, President	Contact Telephone No. (416)-260-1641
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