

NetCents Technology Issues a Letter to the Shareholders

Vancouver, British Columbia--(Newsfile Corp. - April 20, 2020) - NetCents Technology Inc. (CSE: NC) (FSE: 26N) (OTCQB: NTTCF) ("**NetCents**" or the "**Company**"), a disruptive cryptocurrency payments technologies Company, is pleased to issue a letter to the shareholders from the CEO, Clayton Moore.

Dear Fellow Shareholders,

To find a silver lining in these horrible circumstances, I have chosen to take some of this "stay at home" time to Pause, Reflect, and Plan.

It is in these times of economic uncertainty that companies can gain ground before becoming the economic powerhouses of tomorrow. There is precedent for tech companies to rise and thrive from the wreckage of a crash. What would ultimately become General Electric started amid the stock crash of the 1870s, Hewlett-Packard during the great depression, and the 2008 recession teed up tech's long boom, giving birth to Square, Stripe, Uber, Airbnb, Slack, and Pinterest.

2008 may have been one of the most difficult financial times in recent memory for the American and global economies. However, the years following the financial crisis were amongst the best for start-up investments. The companies that were founded and grew when the economy was struggling, together make up the most lucrative start-ups since the dot-com boom days - today's unicorns.

And this is where we find ourselves today, on the precipice of another great recession/depression. But from this economic uncertainty, we will witness the development of tomorrow's Apples and Amazons. But this time, it won't just be tech start-ups that reshape the future, it will be companies that fundamentally shift the global financial infrastructure as it is the fundamental flaws within this infrastructure that exacerbate recessions. Today is no exception.

"Too big to fail banks" that rely on taxpayer bailouts to survive, have time and time again, made the same mistakes. The great depression was caused by the Federal Reserve System^[1], and much of the economic damage was caused directly by bank runs fueled by a fundamental lack of trust within the banking system. The global financial crisis that began in 2007 centered around market-liquidity failures brought on by the banking industry. The cost of cleaning up a systematic banking crisis can be huge, with fiscal costs averaging 13% of GDP and economic output losses averaging 20% of GDP for crises from 1970 to 2007^[2].

This time, however, we do not need to be destined to repeat the mistakes of the past. We now have new tools available to us to shape a different future, one that puts the control back into the hands of the individual-a future where people control access to their funds that eliminates the bank liquidity issues of the past.

The answer is cryptocurrency and blockchain.

Cryptocurrency and blockchain have already begun reshaping and altering future financial infrastructure. In 2016, at a time of political uncertainty, we saw cryptocurrency jump into public consciousness and dramatically break onto the public stage. During this first foray into the world economic stage, cryptocurrency filled the role of asset and began laying the framework towards becoming a currency.

Over the past few years, the initial hype around cryptocurrency died off, and the market stabilized. Facebook, with its launch of Libra, attempted to create a cryptocurrency for the masses, and we've witnessed the first foray of banks into the sector. During this time, companies, like NetCents, have been building the financial platforms that will power the future, leveraging blockchain and cryptocurrency.

Today, we are witnessing a paradigm shift in cryptocurrency, a shift from an asset to actual currency, the building blocks for the financial infrastructure of tomorrow. Unfortunately, it has taken another time of crisis. However, this time, the crisis affects a far broader group of people, and the current uncertainty of the traditional financial infrastructure is of growing concern.

This is our reality today-the uncertainty around the future of the global economy and the existing financial infrastructure. In times like these, the last thing that people need to be worried about is whether or not their finances are secure and if they will continue to have access to them. With this, we see a massive uptick in interest in leveraging cryptocurrency as a transactional currency-a groundswell of momentum.

As unfortunate and challenging as today is, this is where cryptocurrency shines. Unlike traditional fiat currencies, cryptocurrency never closes or takes banking holidays. Whether its value has increased or decreased against the dollar, it never stops moving and, more importantly, being accessible. This confidence and security are priceless at times like these.

The understanding of, and value, of cryptocurrency, is finally being recognized for its intended purpose and not a tool for speculation, which is what it has been up until this moment.

Regardless of whether today's financial infrastructure wavers in the short term, these structural issues will not disappear, and this new momentum will continue as we move forward. Thankfully, the alternative exists, and companies, like NetCents, have been working to solve these problems.

To reflect on NetCents and the achievements of the past year:

NetCents has transitioned from a company building its technology to a company selling its technology. Our sales staff took on a growth initiative early last year that has been very successful. Since launching these efforts in 2019, NetCents consistently achieved record double-digit month over month processing volume growth. We are proud of our sales initiative and expect this growth to continue. An essential part of our sales strategy has been to focus on our relationships developed from years of experience in the traditional payment space. Our efforts have strategically positioned NetCents for mass adoption as more and more merchants become interested in accepting cryptocurrency for payments. We have positioned ourselves to be the default solution for these market participants. This unique approach provides what we think is a clear advantage over other solutions; we have earned the credibility to be the incumbent in the payment space for cryptocurrency.

So in effect, if you question whether we can prosper in a challenging market environment and become a "unicorn" - the answer is: We already have. We have thrived in what we internally call the "Cryptocurrency Winter" where (beginning in 2018) Bitcoin fell from a high of \$20,000 to a few thousand dollars. We used that time (when any cryptocurrency technology was out of favour) to develop a leading position in the cryptocurrency transaction market and now have a scenario where we can take advantage of what we have created.

NetCents is building a complete financial services company providing services for individuals and companies

- not just for crypto speculation -

1. We are providing exchange services combined with the payment platform allowing digital touchless consumer payments in retail environments and e-commerce payment technology.
2. We are providing credit card products.
3. We are providing merchant processing to retailers.
4. We are providing a commercial banking infrastructure for global banks that wish to service their clientele that desire to deposit and trade cryptocurrency.
5. We are providing invoicing and payment technology to SaaS and PaaS companies (Software-as-a-Service, Platform-as-a-Service).
6. We have recently begun working on our first "fixed-income" product with Link Global - creating investment opportunities that pay periodic income payments far exceeding "bank" savings products.

*Each of these verticals represents hundreds of billions in transactions (and a couple are in the trillions)

Digital Currencies going Mainstream

Now, I am going to throw some more lingo at you - Central Bank Digital Currencies - (CBDC) the reason I mention it is because in a few versions of the US stimulus bills included legislation approving the creation of a digital dollar, and the establishment of digital dollar wallets. This legislation was introduced to create an additional way to pay stimulus money to the masses that is faster and cheaper than mailing checks to tens of millions of recipients. Unfortunately, the final version of the legislation didn't include this piece. However, I believe that we will see it again in stimulus legislation that will be introduced in the coming weeks or months. We have prepared our platform to offer the USD digital wallet to US chartered and global banks to meet the requirements that Congress has established for this USD digital reserve currency. We think it is the ultimate endorsement of cryptocurrency that the US government, reserve currency for the world, is now embracing cryptocurrency.

NetCents stands to benefit more from cryptocurrency becoming mainstream - than a bull market in Bitcoin, that is for sure.

I hereby offer my services to the United States as a creator of a Central Bank Digital Currency Task Force to assist the US Government in implementing the processes and technologies to meet their needs.

Plan

As I have already relayed, we just launched many of the business lines explained above. We will be staffing these businesses internally - but will tap into our growing advisory board globally to open the doors of banks and potential partners around the world. I believe that our advisory board will be instrumental in the tidal change that is about to begin, whereby all of the global commercial banks will start to receive and manage cryptocurrency for their clients. We will be offering our white label service for those products to allow these banks to seamlessly provide these services without having to develop and manage them internally.

Conclusion

To connect all of these dots - we have created a strong position in our main business line, and are now embarking on multiple additional revenue streams - that all meet similar criteria:

- High Margin
- Scalable - with limited headcount required to generate significant market share

- Meeting unmet demand for financial products that we are uniquely qualified to provide

Net Cents has been the #4 performing stock in the Canadian Stock Exchange year to date - why? Because we have been disclosing our roadmap, and people realize that we are perfectly positioned to execute based on the hard work we have been doing for 36 months.

We are building out NetCents to have attractive revenue streams based on the adoption of digital currencies worldwide - we make attractive margins on every transaction and aren't dependent on any specific underlying cryptocurrency to make money - we will make more money as more and more wallets are created. More business clients elect to use our systems. We are confident that we have positioned the Company for success, and that success just might be coming a little more quickly because of many converging world events.

Success occurs when opportunity meets preparation.

Thanks for your time.

Clayton Moore, Founder & CEO

About NetCents

NetCents Technology Inc, the transactional hub for all cryptocurrency payments, equips forward-thinking businesses with the technology to seamlessly integrate cryptocurrency processing into their payment model without taking on the risk or volatility of the crypto market. NetCents Technology is registered as a Money Services Business (MSB) with FINTRAC.

For more information, please visit the corporate website at www.net-cents.com or contact Sonja Bakgaard, Investor Relations: sonja.bakgaard@net-cents.com.

On Behalf of the Board of Directors

NetCents Technology Inc.

"Clayton Moore"

Clayton Moore, CEO, Founder and Director

NetCents Technology Inc.

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[1] https://www.federalreservehistory.org/essays/great_depression

[2] <https://journals.sagepub.com/doi/10.1177/0027950108099838>



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