

# NetCents Technology Streamlines Operations, Focusing on the Revenue-Generating Merchant Processing Segment

Vancouver, British Columbia--(Newsfile Corp. - January 17, 2023) - **NetCents Technology Inc.** (CSE: NC) (FSE: 26N) (OTCQB: NTTCF) ("**NetCents**" or the "**Company**"), a cryptocurrency payments company, announces the closure of its cryptocurrency exchange effective immediately. The closure is designed to streamline its current operations and product offerings to focus on revenue-generating product streams. For the last few years, the Company's primary focus has been the growth of its merchant processing products and services with less reliance on the cryptocurrency exchange.

The cryptocurrency exchange, planned initially as a complementary business segment, has never been a significant percentage of the Company's revenues, accounting for less than one half of one percent (0.5%) of estimated total revenues in fiscal 2022 (unaudited). As the Company merchant processing continued to grow, the cryptocurrency exchange became unnecessary for the overall business strategy. In fiscal 2022, the exchange generated insignificant revenues and was no longer cost effective to maintain. At the same time, the Company recognized and focused on its market share and competitive advantages in merchant processing. Virtually all of the Company's growth and revenue for the last two fiscal years was from its merchant services.

In July 2022, the Company began internal discussions regarding the future of the exchange, and the Board of Directors voted to begin the steps required to cease exchange operations. In September 2022, the Company contacted the regulatory authorities, communicating the Company's intention to cease exchange operations. In November 2022, the Company detailed the procedure to be used to wind down exchange operations to the regulators and at that time, the Company ceased receiving fiat or cryptocurrency deposits to the exchange. This action, however, has not affected users' ability to withdraw their fiat funds or crypto assets from the exchange.

In the near future, all account holders will be contacted via email and, if required, by phone. Account holders will be instructed to access their accounts and withdraw their fiat and crypto assets. At the instruction of the account holders, all fiat funds will be transferred via traditional means, and all crypto assets will be transferred via the associated blockchain. All accounts will have 60 days from the first email to move their fiat funds and their transferable crypto assets off the exchange. The Company has maintained the fiat funds in its bank accounts and crypto assets have been held by an independent third-party wallet as a service provider. All account holders will receive 100% of their respective account holdings, except accounts holding NCCO. Any accounts holding NCCO will be maintained pending final resolution by regulatory authorities.

As a brief business update, the Company's merchant processing business continues to grow, and in 2022, the Company experienced significant growth since 2020 in all key metrics. Since 2020, merchants on the platform have grown by over 250%, with a global footprint of processing merchants in 46 countries. The average transaction value increased from USD \$391 in 2020 to USD \$4,500 in 2022, and the Company's Instant Settlement processing volume grew 374% in 2022 over 2020 from USD \$10.6 million in 2020 to USD \$50.6 million in 2022<sup>1</sup>. In 2022, merchant processing revenue increased by 445% over 2020<sup>1</sup>.

As of today, the Company continues to be subject to a cease trade order. The following financial statements are outstanding: interim financial statements (unaudited) for the quarterly periods ending January 31, 2021, April 30, 2021, and July 31, 2021, audited annual financial statements for fiscal year end October 31, 2021, and interim financial statements (unaudited) for the quarterly periods ending January 31, 2022, April 30, 2022, and July 31, 2022. The Company is currently focused on preparing its outstanding financial statements so that it will be in compliance with its regulatory requirements.

## **About Us**

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 is registered as a Money Services Business (MSB) with FINTRAC.

For more information, please visit the corporate website at [www.net-cents.com](http://www.net-cents.com) or contact Investor Relations at [investor@net-cents.com](mailto:investor@net-cents.com).

On Behalf of the Board of Directors

NetCents Technology Inc.

"Clayton Moore"

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## **Cautionary Note Regarding Forward-Looking Information**

This release includes certain statements that may be deemed "forward-looking statements" within the meaning of applicable Canadian securities laws ("forward-looking statements"). All statements in this release, other than statements of historical facts, that address events or developments that the Company expects to occur, are forward-looking statements including without limitation, timing of finalizing and filing of the Company's financial statements, the expected closure procedure for the exchange, the expected growth and results of operations of the Company. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance, and actual results may differ materially from those in the forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include regulatory actions, market prices, and continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Forward-looking statements are based on the beliefs, estimates, and opinions of the Company's management on the date the statements are made. Except as required by applicable securities laws, the Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change.

## **FOFI Disclosure**

This press release contains future-oriented financial information and financial outlook information (collectively, "FOFI") about the Company's future growth and expansion, all of which are subject to the same assumptions, risk factors, limitations and qualifications as set forth in the above paragraphs. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on FOFI. The Company's actual results, performance or achievement could differ materially from those expressed in, or implied by, these FOFI, or if any of them do so, what benefits the Company will derive therefrom. FOFI contained in this press release was approved by management as of the date of this press release and was included in order to provide readers with information about management's current expectations and plans relating to the future and such information may not be appropriate for other purposes. The Company disclaims any intention or

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[1] Unaudited financial information



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