

Form 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

NetCents Technology Inc. (“NetCents” or the “Company”)
9th Floor – 1021 West Hastings Street
Vancouver BC
V6C 2R6

Item 2. Date of Material Change

January 17, 2023

Item 3. News Release

The Company disseminated a news release on January 17, 2023, and subsequently filed a copy on www.sedar.com (the “News Release”).

Item 4. Summary of Material Change

The Company announced the closure of its cryptocurrency exchange effective immediately.

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

The Company announced 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.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7. Omitted Information

None.

Item 8. Executive Officers

Clayton Moore CEO
Tel.: (604) 558-5199

Item 9. Date of Report

January 17, 2023