

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: NetCents Technology Inc. (the "Issuer")

Trading Symbol: NC

Number of Outstanding Listed Securities: 78,659,396

Date: August 7, 2020

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.

See Item 2 below for a complete overview and discussion of the Issuer's activities for the month of July 2020.

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

July 2, 2020, the Issuer announced that it has cancelled the 3 million stock options with an exercise price of \$2.26 announced on July 26, 2020.

On July 2, 2020, the Issuer announced that it has granted stock options for a total of 5,000,000 common shares of the Issuer to officers, directors, employees and consultants of the Issuer. These stock options are exercisable at \$1.25 per stock option and will expire on July 1, 2021. The stock options will vest immediately.

On July 4, 2020, the Issuer announced that it is forming a wholly owned subsidiary in Germany to support its growing European business. It has also set up its first European banking relationship to support its rapidly growing European client base.

The Issuer has been encouraged with the growth of its core merchant base over the course of 2020, and has determined that a local presence is necessary to efficiently manage the large processing clients it has developed in the market.

The Issuer will be forming a subsidiary in support of the businesses that it intends to operate in the European market. These businesses include:

- Merchant Processing;
- Invoicing for subscription based businesses; and the
- Crypto-Banking Stack/Solution as a white label offering for commercial banks.

On March 3, 2020, the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) (the German Banking regulator) has released guidelines and definitions for financial institutions interested in Cryptocurrency products. The Issuer has a white-label solution it can offer these commercial banks that are interested in allowing their client base to trade in cryptocurrency alongside traditional financial products.

On July 7, 2020, the Issuer announced that it has filed its condensed interim financial statements for the six months ended April 30, 2020. The Issuer is excited that its transition from the “development stage” to “revenue generation through transactions” is taking hold.

The Issuer has achieved the following growth for the period ended April 30, 2020:

- Revenue for the six months ended April 30, 2020, was \$102,061 compared to \$23,503 for the six months ended April 30, 2019
- Revenue increased by 434% for the six months, ending April 30, 2020, compared to the six months ended April 30, 2019
- Revenue increased by 453% for the three months, ending April 30, 2020, compared to the three months ended April 30, 2019
- Revenue increased by 129% for the three months ended April 30, 2020, when compared to the three months ended January 31, 2020

The revenue numbers were depressed during the period ending April 30, 2020, due to the Issuer running various promotional campaigns that incentivized merchants by offering reduced or free processing for a set period to drive increased merchant sign-up and transactions. Once the promotional campaign expires, the Issuer expects to report higher revenue numbers.

As expected, the Issuer experienced a downturn in the number of retail and ecommerce transactions since the beginning of the Pandemic. In response, the Issuer targeted and is now processing transactions for much larger companies to complete Business to Business (B2B) transactions. These new B2B merchants send invoices that have notional values of up to a million dollars with an average invoice amount of twenty-five thousand dollars. This compares quite favorably to the Issuer’s historical transaction size of approximately one hundred and twenty-five dollars. Furthermore, the Issuer’s geographic footprint is expanding – with merchants signing up from South Asia, Europe, and Africa. These new clients and transactions will start to impact financials in the coming quarters.

The Issuer is pleased to announce the subsequent exercise of stock options and warrants has generated proceeds of \$4,380,121 to fund the Issuer. These issuances of stock will fund operations and marketing outreach campaigns for the next fiscal year.

On July 24, 2020, the Issuer announced that it continues to grow its international merchant base and has begun inroads to new merchant industries, notably B2B.

The Issuer has experienced a rapid geographic diversification of its merchant base in 2020 when compared to 2019. In 2019, 27% of the Issuer’s merchants were located outside the United States compared to 67% in 2020 with 81% of new merchants using the merchant gateway located internationally.

Along with the international expansion, as a result of COVID-19 and shifting merchant and consumer demand, the Issuer has greatly diversified its target merchant industries. Before March, the Issuer’s merchant base was heavily concentrated in Luxury, Travel, Tourism, and Retail. Over the past five months, the Issuer has successfully focused its business development efforts on growing its market share in the B2B, Services, and Gaming Industries.

As a benefit of these dynamics the Issuer has enjoyed a jump in the overall transaction value as the average value of a transaction for these B2B merchants is \$25,000 vs. \$111. The Issuer's average transaction size is now \$300, a nearly 300% increase over the same period in 2019. 4.4% of the Issuer's transactions exceed \$500 and nearly 1% exceed \$5,000. The Issuer expects these numbers to continue to increase as, on average, there is a new B2B merchant added to the platform every other day.

To continue this growth and service these new merchants, the Issuer has made the following enhancements to its platform in 2020:

- Daily settlements for Enterprise and US-based merchants
- Integration into the ACH network to eliminate the cost associated with merchant settlements for both the Issuer and merchant
- 1.4 Billion USD credit facility to frontload merchant settlements while allowing the Issuer to use the merchant order flow as a supply for a short-term crypto portfolio to profit from arbitrage opportunities
- Enterprise Invoicing Suite to equip merchants such as monthly subscription services, agencies, accounting and law firms, telephone bookings and the like with tools that enable them to track their payment cycle when invoicing clientele
- Expanding European operations with the upcoming formation of a wholly owned German subsidiary and banking relationships to support the Issuer's growing European merchant base

On July 27, 2020, the Issuer announced that it has granted incentive stock options (the "Options") to purchase a total of 100,000 common shares at an exercise price of \$1.12 per common share for a period of five years to certain employees in accordance with the provisions of its stock option plan.

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.

Please see Item 2 above.

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.

None.

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.

None.

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.

None.

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

Please see Item 2 above.

9. 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.

None.

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

None.

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

None.

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.

None.

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

None.

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

Security	Number Issued	Details of Issuance	Use of Proceeds
Stock Options	5,000,000 Stock options	5,000,000 stock options issued at an exercise price of \$1.25 per share and will expire on July 1, 2021	N/A
Stock Options	100,000 Stock options	100,000 stock options issued at an exercise price of \$1.12 per share for a period of 5 years	N/A
Common Shares	333,334 Common shares	333,334 common shares issued at a price of \$0.70 per share pursuant the exercise of stock options	For general working capital and marketing outreach campaigns
Common Shares	90,000 Common shares	90,000 common shares issued at a price of \$0.35 per share pursuant the exercise of stock options	For general working capital and marketing outreach campaigns
Common Shares	25,000 Common shares	25,000 common shares issued at a price of \$0.56 per share pursuant to the exercise of stock options and warrants	For general working capital and marketing outreach campaigns
Common Shares	20,000 Common shares	20,000 common shares issued at a price of \$0.61 per share pursuant to the exercise of stock options and warrants	For general working capital and marketing outreach campaigns
Common Shares	150,000 Common shares	150,000 common shares issued at a price of \$0.62 per share pursuant to the exercise of stock options and warrants	For general working capital and marketing outreach campaigns
Common Shares	350,000 Common shares	350,000 common shares issued at a price of \$0.70 per share pursuant to the exercise of stock options and warrants	For general working capital and marketing outreach campaigns
Common Shares	1,000,000 Common shares	1,000,000 common shares issued at a price of \$1.25 per share pursuant to the exercise of stock options and warrants	For general working capital

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

None.

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

None.

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

N/A.

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 CNSX 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 CNSX Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: **August 7, 2020**_____.

Christopher P. Cherry
Name of Director or Senior Officer

"Christopher P. Cherry"
Signature

CFO & Director
Official Capacity

<i>Issuer Details</i>	For Month End	Date of Report
Name of Issuer NetCents Technology Inc.	July 2020	YY/MM/DD 20/08/07
Issuer Address 1021 West Hasting Street, Suite 1000		
City/Province/Postal Code Vancouver, BC, V6E 0C3	Issuer Fax No. N/A	Issuer Telephone No. (604) 633.9967
Contact Name Christopher P. Cherry	Contact Position CFO & Director	Contact Telephone No. (604) 633.9967
Contact Email Address chris.cherry@net-cents.com	Web Site Address https://net-cents.com	