

SMARTCARD MARKETING SYSTEMS, INC., AND SUBSIDIARY

20c Trolley Square Wilmington, Delaware,
19806

Transfer Agent: Manhattan Transfer Agent, Registered under the
Exchange Act 38 Sheep Pasture Road Port Jefferson, New
York 11777

Trading Symbol: SMKG
CIK: 0000900475
SIC Code: 8900

As of March 31st, 2022, the number of shares outstanding of our Common Stock booked was: 491,892,061

As of December 31st, 2020, the number of shares outstanding of our Common Stock booked was: 468,536,506

As of December 31st, 2021, the number of shares outstanding of our Common Stock booked was: 472,369,839

As of December 31st, 2019, the number of shares outstanding of our Common Stock booked was: 442,792,840

Unaudited 1st Quarterly Report to March 31st, 2022

Financial Statement



www.smartcardmarketingsystems.com

Unaudited Q1, March 31st 2022

Consolidated Interim Financial Statements & “MD&A”
for the 3 Months Ending March 31st ,2022

May 16th ,2022

To Whom It May Concern:

We the undersigned do certify that we have reviewed the attached Unaudited Consolidated Interim Financial Statements & “MD&A” for the Three Months Ending March 31st 2022.

We certify that the information is complete and presented fairly in all material respects to the best of our knowledge.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Massimo Barone', with a horizontal line extending to the right.

Massimo Barone

CEO of Smartcard Marketing Systems Inc. (SMKG:OTC)
1 844 THE PAYMENT www.smartcardmarketingsystems.com

MARKET & BUSINESS DISRUPTER

SmartCard Marketing Systems Inc (OTC:SMKG) FinTech and PayTech industry leader in specialized e-commerce, cloud and mobility applications to the global banking, telecom and retail markets. SMKG is an entrepreneurial boutique technology company, providing business intelligence and digital transformation strategies with a proprietary portfolio of applications and wireframes for banking, enterprises, retail e-wallets, digital id, blockchain, crypto issuing, nft, e-KYC, digital workforce, events & media management, edtech, tele-med and transit-booking industries. For more info visit www.smartcardmarketingsystems.com or visit our business applications marketplace at www.Emphasispay.com.

CORPORATE OFFICES AND LOCATIONS:

Since the beginning of the COVID-19 Pandemic the company terminated its open monthly membership with the Regus Offices in Canada, USA and India. The company's team works remotely from their home locations. Our main focus of operations is through our hosted solutions with AWS and Azure which supports our cloud technology platforms in production environments for client trainings, demo's and proof of concept purposes.

THE COVID -19 PANDEMIC

The digital transformation and virtualization of businesses globally has been accelerated by Governments drastically faced with many unknown challenges from the start of 2020. There has never been a time where every Country in the world has cut through all regulatory tape to allow the opportunities for business continuity through digital acceptance of e-processes, digitized utilities, blockchain protocols and contactless transacting because of social distancing, recurring lockdowns and the unknown.

SmartCard Marketing Systems Inc (OTC:SMKG) now on an accelerated track of deployments and opportunities, which prior COVID19 was only a matter of time before these same barriers would be regulated and broaden the company's already global opportunity for growth.

The company is working with regulatory agencies and financial service providers in multiple Countries to be compliant as a local provider to that regions network. This strategy allows for easier technology adoption by channel partners and clients to activate their customers.

OVERVIEW

SmartCard Marketing Systems Inc OTC:SMKG a fintech & paytech company specializes in digital transformation applications with business intelligence processes for industry specific clients. The company develops its own proprietary suite of e-commerce, cloud and mobility applications with embedded payments and blockchain protocols for "Branding As Your Own" customer deployment's. The company's proprietary portfolio is marketed through its own marketplace Emphasispay.com and with enterprise partners.

HISTORICAL:

Since the beginning of 2015 the company focused on 2 distinct channels of business development;

- 1) The Development and commercialization of its leading platforms for the Paytech and Fintech global markets; leading the offering the Genorocity.com & Mtickets.events platforms
- 2) Strategic partnerships to develop an alternative payments solution for Banks & Telecom Acquirers/Issuers of Cards (Credit, Debit or Loyalty) as an acceptance point for emulating payment and reward transactions, processing & settlement.

The first partnership entered into with Contact Innovation in North America in late **2014 and early 2015** resulted in the technology development for the Check21 Act servicing the need for Remote Deposit Capture (RDC) which was commercially deployed trial stages in late May of 2015 with the first joint client ICICI Bank of India (its Canadian subsidiary across 14 branches and select corporate clients). The platform solution as a cloud based host was branded www.check21saas.com and now the success of our deployment is allowing us to market to customers internationally. Concurrently to the development of Check21Saas.com the company designed and developed **Genorocity.com** and shortly after **Mtickets.events**.

Throughout 2016 and 2017 the company ambitiously sought to expand the technology portfolio to meet the new changes in global markets for business process applications and meet the foreseeable demand coming in the financial, workforce and retail markets for intelligent business applications ready to deploy.

In 2018 - 2019 management continued to develop its payment infrastructure and worked with clients to commercialize its solutions strengthening its position in the financial services segment. *We are transforming the company from a direct merchant services provider to enabling a channel of portfolio merchants for Banks & Telecoms.* This transition has allowed SmartCard to position itself as a technology host & support Processors and Industry Consultants building relationships with Banks, Credit Unions and partnering with payment providers globally.

For 2020, the company released 3 SAAS platforms to meet the needs of concerns raised by the COVID-19 Pandemic which created further opportunities in EdTech, Telemedicine & Pre-screening security technologies. Our response to this was the release of Eschool.systems, Phaces.io and Doctor-Vid platforms which are having great success with opportunities in cloud products distribution in India and the SARC regions.

In 2021, the main focus of the company was to develop and implement blockchain protocols and utilities with the existing framework of embedded payments. Furthermore, the company worked with Government agencies in India, Philippines and China to meet local operating requirements for faster deployments and technology adoption by customers.

FINANCIAL HIGHLIGHTS FOR 2019 AND 2020

- New client and partner OriginatorX in Asia. \$500k USD equity for 50% of equity at current market evaluation and capitalization of \$1m USD.
- New client and partner Xpay World in Asia. \$1.2m USD equity for 7% of equity at current market evaluation and capitalization of \$35m USD.
- The company is invested in a tech firm start-up in India with a 60% equity share
- Conversions and booking of debt significantly reducing medium and long-term debt.
- Expansion into financial marketplace in India with Articul8te and Granularchain.com for EKYC by Video and Permission based digital-id key management. The company is working with 3 of top 10 financial insurance underwriters in the country on both platforms as a solution for Digital ID & Processing.
- New digital integration partnerships with Visa Everywhere and Discover Card US Partnerships with two AI firms, Onplan of the USA in the Restaurant sector and Enablefunding of Australia in the Fintech Startup sector.

Below is a breakdown of the past three years of operations and how our services have been segmented.

	2019	2019	2019	2019		
	Processing	Consulting / Development	Licensing	Other	Total	
Contact Innovation (CICI Bank)	31,894				38,478	17.8
Xpay World (1.2M / 5yr / 20K/month)			240,000		120,000	55.4
Other (Various)		30,558			57,965	26.8
					216,443	100.0

	2020	2020	2020	2020		
	Processing	Consulting / Development	Licensing	Other	Total	
Contact Innovation (CICI Bank)	6,959				6,959	1.8
Xpay World (1.2M / 5yr / 20K/month)			240,000		240,000	61.3
OriginatorX			75,000		75,000	19.1
Other (Various)		64,722	5,000		69,722	17.8
					391,681	100

	2021	2021	2021	2021		
	Processing	Consulting / Development	Licensing	Other	Total	
Contact Innovation (CICI Bank)	23,683				23,683	5.8
Xpay World (1.2M / 5yr / 20K/month)			240,000		240,000	59.2
Other (Various)		126,729	15,000		141,729	35.0
					405,412	100

RECENT NEWS HIGHLIGHTS 2021

- The Company releases its Granularchain.com, creating Digital key on the Blockchain for Financial Institutions
- The Company releases Genorocity.com with newly added employee tracking and virtual cards for the blockchain
- Integration to Cybersource Visa and Visa Direct completed
- Launch of Axepay Inc. multiple new global FX partners onboarding in now more than 55 Countries including China, servicing 190 Countries plus territories and 40 currencies with a unique offering for funds transfers into China via Union Pay and Banks in Mainland China.
- Acquisition of source code library of Ai Chat Bot technology
- Partnership with Xcoop of LATAM for Cross-border expansion
- Special focus on developing ekyc and ekyb network for aml monitoring engine for payments and blockchain
- Compliance and business registrations in India, Philippines and LATAM

PREVIOUS MAJOR HIGHLIGHTS – 2019

The company releases **Emphasispay.com** the business applications marketplace for the proprietary solutions of SmartCard Marketing Systems Inc (OTC:SMKG). The combined CRM and CMS platform is the company's marketing strategy to build its satellite partners network and target large enterprise merchants.

The Campaign focuses on the theme “**Brand As Your Own**” showcasing the opportunity to financial Institutions and Global Enterprises the potential of deploying their own specialized industry marketplace.

Note: The Brand As Your Own strategy allows customers to license and white label specific or the entire portfolio to their merchant portfolio.

MANAGEMENT DISCUSSIONS AND ANALYSIS 2022

Financial Results, Quarterly Report Ended March 31st, 2022 Compared to Quarterly Report Ended March 31st, 2022

The 1st quarter 2022 set the pace for the year and marked an ongoing path toward digital transformation for the company, as many steps were taken to reduce debt,, minimize capital expenditures or maintain expenditures during the unknown of Covid-19. The focus on standard operating practices with clients and partners to curve the company's direction into commercial deployments.

It was management's ongoing decision to minimize capital financings and organically optimize reach by social media to improve the capitalization and expenditures normally required through large investments and marketing expenditures.

We continued to focus on developing our lines of business with the added direction toward blockchain innovation and working with partners to deliver ready to deploy cloud and mobility applications with flexible architecture to monetize on rapid deployments with customizable wireframes.

Our strategy to focus India and South East Asia will have great upside with significant clients and partners now collaborating on the Company's platforms for their merchant and customer deployments. The company's portfolio of partners and customers is continuously expanding and no longer dependent on our prior portfolio which is still an active base and growing in revenues and partnerships.

New strategic alliances have been entered to integrate the platforms with 2 major card networks, both Visa Everywhere and Discover US have aligned with the company to integrate their Network Tokens and Gateways as part of a digital strategy to member institutions globally.

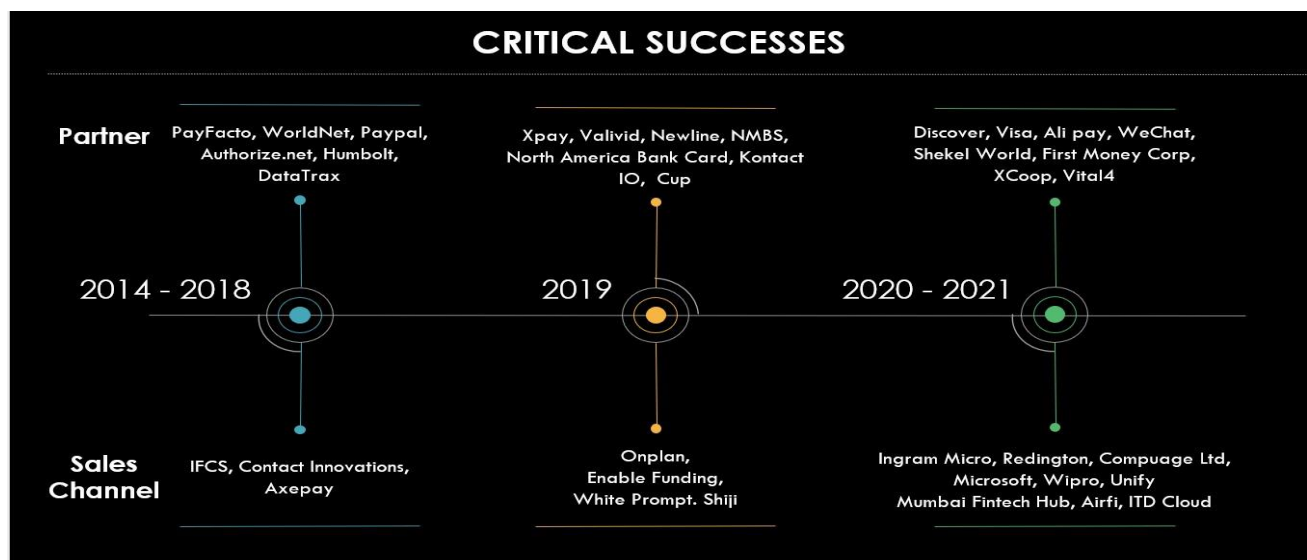
The company has been affected by the COVID-19 pandemic due to the inability to travel and the volatility in the financial markets.

The company allocated significant resources to up list in 2021 to OTCQB status and is pursuing an S1 registration statement following the end of year audit on filings with the SEC to qualify the company as a reporting issuer.. The company continues to be optimistic it will receive approval, be a compliant Reporting Issuer and complete financing to secure the next 12 months and reduce operating risk and cashflow requirements.

UTILITIES INTRODUCED THROUGHOUT 2019 AND 2020:

- Permission based Blockchain technology
- Beacon and Lissr Frequency Technology
- Generated unique user and merchant KEYS with QR codes
- D-signature and Document Tokenization
- Single or two way SMS Authentication
- API's for internal usage, Partners & Vendors
- Visa Cybersource & Visa Direct gateway
- Discover card Network SRC Tokens
- Facial Recognition
- Contact Tracking and Tracing
- Crypto Token Issuing

PRODUCT PARTNERS TIMELINE



Continued Management Outlook Discussion and Analysis for 2022 with concerns regarding the COVID-19 Pandemic, the unknown and recent events explained.

The company faced many challenges like so many other companies and individuals globally in dealing with this crisis that has impacted all channels of business. The new normal and the day-to-day challenges and concerns because of the multiple lockdowns occurring in key markets where we are focused on and especially domestically. During this period all travel for the company was restricted and all employees worked remotely from home.

In a strategic effort to deal with the pandemic we focused on key integrations with global players such as Visa Everywhere, Xpay.World, Fiserv North America and Cross-border partnerships with Financial Institutions and Financial Money Services Business integrations. We also focused on working with key market leaders in Cloud and Mobility to develop a distribution strategy for our platforms.

We realized that we had to evaluate our book of business, deals and projects and forecast what they would look like coming into the new year and 1st quarter ending March 31st 2022. At this time we are optimistic that we are in a great position going forward with our digital transformation technology platforms, a robust portfolio in Blockchain protocols and utilities and embedded payments to strengthen our global offerings through licensing our technology. This will have greater success on opportunities as Governments move to digital acceptance and adopt on a massive scale while standardizing regulations.

MARKET OPPORTUNITY & CHALLENGES:

Digital has been accelerated by COVID-19 on a global level. We have learned that we can be completely distanced & disconnected from Financial Transactions, Face-to-Face meetings, Events & Shopping Experiences. The simplest of tasks has been derailed & altered altogether. Ex. In branch banking, Grocery Shopping & Traveling.

- Compliance with Onboarding Individuals & Businesses accounts derailed
- Global Security concerns at all time high cause of increase in online Transactions
- FX Transactions & Cross-border transaction at more risk today
- Blockchain embedded rules engines, NFT minting and Crypto Issuing

(Ongoing Lockdowns, Uncertainty accesses to the Govt. offices creates a very difficult scenario for companies & individuals to complete required regulatory mandates)

THE ECHO EFFECT:

Digitization of Debt, Equity & Assets is being completely disrupted by blockchain, Tokenization, Crypto & new methods of engagement. Treasury & Regulatory Compliance needs enhanced tools & cyber security driving Digital IDs required for the Onboarding & Transaction experience.

SMKG DISRUPTING MARKET:

SMKG accelerates Digitization & Virtualization with the largest & most scalable portfolio of business intelligent solutions to fast-track deployment, minimize CAPEX, & offers best-in-breadth cyber security encapsulating transaction through blockchain remaining totally agnostic. The Focus is E-Commerce, Cloud, & Mobility Infrastructures with embedded payments and blockchain protocols.

OUR TECH SUITE OF PROPRIETARY INDUSTRY APPLICATIONS:

SMKG offers the largest Proprietary white-labeled specialized Industry Application portfolio of FinTech & PayTech applications enabling Payments. Making us a critical accelerator in Digital Transformation for Banks, Financial Institutions & Enterprises with a Ready-to-Deploy, highly scalable & customizable suite of applications. We deploy these solutions directly with Financial Institutions & through our Network Channel Partners with specialized industry expertise.



DEVELOPMENT STAGE

Platform	Software (%)	Mobile App (%)
Genorocity http://www.genorocity.com	99	95
Mtickets.events http://www.mtickets.events	99	95
Check21SaaS http://www.check21saas.com http://www.checkvalet.com	99	NA
QR.guru http://www.qr.guru http://myshopping.guru http://www.prizescan.guru	85	95
Onroute.Tech http://www.onroute.tech	90	90
Distributer Email https://distributer.email	95	NA
Atelier Social https://atelier.social	95	NA
Granularchain http://granularchain.com	95	NA
Articul8te http://articul8te.com	90	95
Profilr.social http://profilr.social	95	NA
Mytravel.menu http://www.mytravel.menu	90	85
Menu.events http://menu.events	90	85

Eschool System https://eschool.systems	90	NA
Doctor Vid http://doctor-vid.com	95	NA
Phaces.io http://phaces.io	90	NA
OriginatorX http://originatorx.com	95	NA
iJobs.shop http://www.ijobs.shop	95	95
Axepay https://axepay.com	90	NA

STRATEGY OF DEVELOPMENT COSTS:

During the course of the year, the company worked with new ISV (Independent software vendors) to integrate their utilities into the platforms of the company's technology suite. This strategy increases the ability for customers to stay in current compliance and monitor and participate with current trends such as resulted by the pandemic. This past year we integrated and developed unique integrations with ISV's such as Jet Webinar, Biometric Facial Recognition and Valvid for EKYC digital in multiple of our platforms:

- Axepay
- Granularchain
- Profilr
- Phaces
- Articulate
- Emphasispay

In addition, partnerships with Visa Everywhere were a major undertaking of development with total delivery a global scale deployment for major Visa members globally, enhancing our ability to sell our solutions to Banks and FI Members. This was a majority of our focus as it was a key driver which took up allocated resources to the extent of 40% of development, 20% design and testing.

- Genorocity
- Granular
- Axepay

PARTNERSHIP STRATEGIC DEVELOPMENT:

In some cases, as part of MOA's and POC's with partner channels and customers we will allocate up to 10% of yearly budget time if we feel a project is valuable and can create a significant return of ROI. We worked on projects customizing our solutions for a Philippines transit projects and Singapore related Airlines company.

- Onroute.tech
- Mytravel.menu

INTERNAL OPERATIONAL SOLUTIONS:

The company develops through its outsourced development partners the SmartCard Marketing site, keeping it current and in compliance, as well ongoing maintenance and development of the company marketplace Emphasispay.com

The solution requires an estimate of 5% of overall resource time as it is an essential platform for our channel partners and customers to access critical materials and information about the company's technology suite.

We split the allocation of development and integration based on sales opportunity activities and partnership channel opportunities that will seek the best structured opportunity for recurring revenues from transactions.

THE NEXT WAVE OF BUSINESS

Web 3.0

Web 3.0 is the third generation of internet services for websites and applications that will focus on using a machine-based understanding of data to provide a data-driven, machine learning (ML), Big Data, decentralized ledger technology (DLT), Artificial Intelligence and Semantic Web. The ultimate goal of Web 3.0 is to create more intelligent, connected and open websites.

Banking 4.0

Banking 4.0 is defined by four primary characteristics.

- It requires Banks and Financial Institutions to adopt a more customer-centric approach to banking. At the core of Bank 4.0 is a redefining of how financial services fit into the lives of the consumers, businesses and organisations that use those services. Technology is inevitably redefining that and in doing so is not just reducing friction and making delivery more seamless, it's finding ways to reframe financial services

Metaverse:

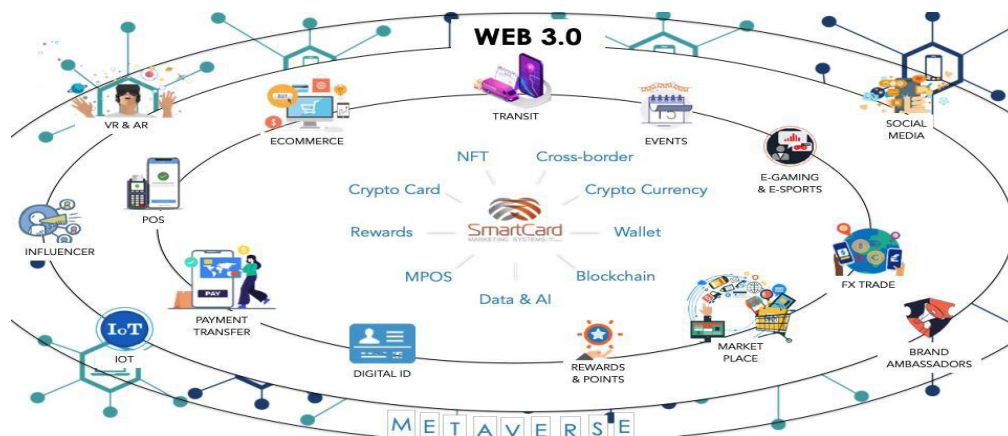
The metaverse is a digital reality that combines aspects of social media, online gaming, augmented reality (AR), virtual reality (VR), & cryptocurrencies to allow users to interact virtually. Augmented reality overlays visual elements, sound, and other sensory input onto real-world settings to enhance the user experience. In contrast, virtual reality is entirely virtual and enhances fictional realities.

DEFI:

Decentralized finance (DeFi) is an emerging financial technology based on secure distributed ledgers similar to those used by cryptocurrencies. The system removes the control banks and institutions have on money, financial products, and financial services.

Tokenomics:

In the Crypto Issuing space, The term Tokenomics refers to the economic model for the utility of the Crypto Coin or Crypto Token.



FORWARD LOOKING ANALYSIS 2022

We see a great demand for our ladders above in the 75% because of the need for digital transformation in many industries including those have almost completely stopped, specifically in E-commerce, Contactless and remote access business processing solutions.

Our 50% increase group is seeing a superior rise as Digital ID, Cross-border FX Treasury and the robust growth of Blockchain is in high demand,

In addition, recent channel partnerships and achievements with Visa, IDBRT India, Mumbai Fintech Govt, are accelerating the demand of our applications. We feel very confident that in the next 6 months as borders and travel opens our platform overall will enjoy significant success in multiple sectors requiring digital transformation and sustainability solutions.

MANAGED PARTNERSHIPS

The company also under its managed partnership structures has acquired directly under a management control of Intellectual property or by way of leveraging the company's Intellectual property as capital in exchange for equity in shares compensation exchange with a negotiated value.

The value of our IP is exponential and provided a bridge for partners and financial institutions to enable their portfolio of mixed merchants, treasury clients and customers.

Case1) OriginatorX -The company also negotiated with CapchainX to takeover their IP of their Intellectual Property for Fungible and Non-Fungible Token Issuing technology. We believe this tech is the fundamental future of the Fintech Market and Art digital market. We set a simplified valuation based on their investment and time value in the technology rebranded OriginatorX, and combined with the company's technology solutions further enhances superior market value leading up 12 to 18 months further ahead in our strategy and combined IP.

Case2: Xpay World - We set up a license structure value for the company's IP portfolio for Financial Institutions and use this modelling to negotiate equity participation in the tech company Xpay World. They had a financing round which had preset the value of their company in which we then negotiated with our IP vs their Equity. This further strengthens our good will as it shows the value through expert partners globally which we can value multiple models.

SUBSEQUENT EVENTS 2021

In the early part of 2021, the company entered into an agreement to acquire 100% of the source code portfolio of an India Tech co start-up. The transaction was for \$25k USD paid over a period of 1 year in tranches by month. In addition, 1,5m shares of common stock of SMKG at pps of \$0.033 USD

The company Xpay world in Singapore a minority interest ownership of SMKG was approved its Payment Facilitator license PF for the Philippines, both VISA and Mastercard in USD and Philippines Peso processing.

The success of the implementation of the OriginatorX installation was completed and deployed with the team of engineers on the AWS instance allowing for commercialization of Fungible and Non-Fungible Tokens issuing.

The partnership of Axepay Inc is having substantial interest with multiple Visa member Banks with regards to Treasury with the End points access to VISA Direct in Asia and the USA, which the company has a very high expectancy of transactions throughout mid-year 2022 and ongoing.

Furthermore, the company entered into Mid Market relationships with 2 US Firms in New York to lead the company's capital raise.

REVENUES

For the Quarter ended March 31st, 2022, revenues were \$127,600 as compared to \$124,762 in 2021, an increase of 2.2%. There was a slight increase in license fees as we impaired our investment of OriginatorX. The implementation and launch of important contracts and projects will continue to grow in the next quarters.

GROSS MARGIN

For the Quarters ended March 31st, 2022 costs incurred were 4,999 and for 2021, there was no cost of sales.

GENERAL AND ADMINISTRATIVE EXPENSES

For the Quarter ended March 31st 2022 and 2021, general and administrative expenses were \$327,523 and \$226,535 respectively. This increase is due primarily to a increase in consulting and professional fees, partially offset by the 2021 impairment expense.

SALES AND MARKETING EXPENSES

The Company had promotional expenses of \$862 and \$614 during the quarter ended March 31st, 2022 and 2021, respectively. The company concentrated its marketing via social media networks and channel partners.

NET LOSS

Net loss for the quarter March 31st, 2022 totaled \$206,629 as compared to \$101,774 in 2021.

Related Party Transactions - No related party transactions other than management contracts.

Software Development - In the quarter ended March 31st, 2022, the Company also invested an additional amount of \$16,205 into product development.

GOING CONCERN

The Company sustained continued operating losses during the quarter ended March 31st, 2022 and 2021. The Company's continuation as a going concern is dependent on its ability to generate sufficient cash flows from operations to meet its obligations, in which it has not been successful, and/or obtaining additional financing from its shareholders or other sources, as may be required.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern; however, the above condition raises substantial doubt about the Company's ability to do so. The consolidated financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that may result should the Company be unable to continue as a going concern.

Management is endeavoring to increase revenue-generating operations. While priority is on generating cash from operations through the sale of the Company's products, management is also seeking to raise additional working capital through various financing sources, including the sale of the Company's equity and/or debt securities, which may not be available on commercially reasonable terms if at all. If such financing is not available on satisfactory terms, we may be unable to continue our business as desired and our operating results will be adversely affected. In addition, any financing arrangement may have potentially adverse effects on us and/or our stockholder

LIQUIDITY AND CAPITAL RESOURCES

As of March 31st, 2022, the company had loans payable totaling \$440,659.

In the quarter March 31st, 2022, the Company was advanced proceeds of \$250,000 from convertible notes.

At March 31st, 2022, the Company had cash on hand of \$105,593 and receivables of \$220,245. We may be required to raise additional funds, particularly with the Covid19, clients and projects deposits were deferred to assist customers facing critical issues, if we are unable to generate positive cash flow as a result of our operations. We estimate that based on current plans and assumptions, that our cash will not be sufficient to satisfy our cash requirements under our present operating expectations, without further financing, for up to 12 months. We estimate that based on our current capital resources we can maintain our planned operations for six months. In order to continue as a going concern, develop a reliable source of revenues, and achieve a profitable level of operations the Company will need, among other things, additional capital resources. Management's plans to continue as a going concern include raising additional capital through borrowings and the sale of common stock. No assurance can be given that any future financing will be available or, if available, that it will be on terms that are satisfactory to the Company. Even if the Company is able to obtain additional financing, it may contain undue restrictions on our operations, in the case of debt financing, or cause substantial dilution for our stockholders, in case of an equity financing.

Our capital requirements going forward will consist of financing our operations until we are able to reach a level of revenues and gross margins adequate to equal or exceed our ongoing operating expenses. Other than the notes payable discussed above, borrowings from our bank and the production credit facility with our suppliers, we do not have any credit agreements or other sources of liquidity immediately available to us.

Given estimates of our Company's future operating results and our credit arrangements with our suppliers, we are currently forecasting that we will need to secure additional financing to obtain adequate financial resources to reach profitability. As of the date of this report, we estimate that the cash necessary to implement our current business plan for the next twelve (12) months is approximately \$2,000,000.

Based on our need to raise additional funds to implement our business plans for the next twelve months, we have included a discussion concerning the presentation of our financial statements on a going concern basis in the notes to our financial statements. We will be required in the near future to issue debt or sell our Company's equity securities in order to raise additional cash, although there are no firm arrangements in place for any such financing at this time. We cannot provide any assurances as to whether we will be able to secure the necessary financing, or the terms of any such financing transaction if one were to occur. The failure to secure such financing could severely curtail our plans for future growth or in more severe scenarios, the continued operations of our Company.

CAPITAL EXPENDITURES

Our current plans do call for our Company to expend significant amounts for capital expenditures for the foreseeable future beyond relatively insignificant expenditures for office furniture and information technology related equipment and employees as it is part of the requirement to build the infrastructure needed to support the current growth. At the same time, we will continually be evaluating the production processes of our third (3rd) party contract manufacturers to determine if there are investments, we could make in their processes to achieve manufacturing improvements and significant cost savings. Any such desired investments would require additional cash above our current forecast requirements.

INTERNATIONAL TEAM EXPANSION

The company has 5 sales Advisors for India, Asia, USA and has now added the UK and Greece. They are responsible for managing clients, events and coordinating with the SmartCard Marketing Systems head office management. The launch of Granularchain.com, Articul8te.com, Axepay.com and Profilr.social has been widely accepted within the financial

industry in both Asia and India where we are excited about the opportunities currently underway for the end of this year.

LEGAL

The company has two legal Counsel Attorneys and with their guidance has respectfully attained an up-list to OTCQB status in 2021 as an ARS Issuer.

Since January of 2019 the company was notified that it's shareholder Primeline HK has been in its own internal dispute between shareholders. At this time the company had reserved treasury for the issuance of the capital investment of 110,000,000 million shares at a price conversion of \$0.045 USD but reduced the treasury in consequence of the failure by Veritaspay Philippines and its parent Primeline Hk to respect the contractual terms of the partnership agreement. Further to the termination by Veritaspay of ongoing contracts, the Company reduced by cancelling 67m Shares in value compensation termination of the agreement. There is a potential liability for the 67m shares for a possible period of 2 to 7 years from the termination date of the agreement.

OFFICERS AND DIRECTORS

Company Officers:

Full Legal Name	Position
Massimo Barone	CEO
Michele Tasillo	CFO
Paolo Continelli	COO

Use the following key for Committee Membership: A - Audit Committee Member
N – Nominating Committee Member
C – Compensation Committee Member

Chairman:

Full Legal Name	Independent Director (Y/N)	Committee Membership (A/N/C)
Massimo Barone	N	ANC

Members of the Board of Directors:

Full Legal Name	Independent Director (Y/N)	Committee Membership (A/N/C)
Paolo Continelli	N	N
Michele Tasillo	N	A
Gina Leslie	Y	ANC
Gary L. Repchuk	Y	ANC

ANNUAL EXECUTIVE COMPENSATION

As of the date for all services rendered in all capacities to us for the period for the past 7 years.

Massimo Barone, Paul Continelli and Michele Tasillo, are engaged by the Company under Management Operating Contracts. entered into in January 2014 for a period of 5 years and was renewed in January 2019 for an additional 5 years between Smartcard Marketing Systems Inc.

Mr. Barone and Mr. Continelli's engagement are defined collectively by a Management Operating Contract between Variance Strategy LLC, a limited liability corporation by which they are the principles. Under the terms of the Variance Strategy agreement, Mr. Barone and Mr. Continelli are engaged to act as CEO/Chairman and Co-Chairman, respectively, for a term of 5 years commencing January 2019. Under the new term Variance is paid an annual management fee of \$300,000 with a 4.5% increase per year, with certain performance related bonuses relating to capital raises, acquisitions, mergers and reaching defined milestones.

(The previous engagement 2014 was \$250,000 with a 4,5% increase per year),

Mr. Tasillo's management contract was entered in January 2014 for a period of 4 years and was renewed January 2018. He is paid an annual management fee of \$80,325, with certain performance related bonuses relating to capital raises, acquisitions, mergers and reaching defined milestones.

(The previous engagement 2014 was \$70,000 with a 3,5% increase per year),

As of date no other bonus/stock/awards/options or other compensations have been issued.

	2014	2015	2016	2017	2018	2019	2020	2021
Variance Strategy	\$250,000	\$261,250	\$273,006	\$285,291	\$298,130	\$300,000	\$313,500	\$327,608
Massimo Barone, CEO	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Paolo Continelli, COO	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Mike Tasillo, CFO	\$ 70,000	\$ 72,450	\$ 74,986	\$ 77,610	\$ 80,325	\$ 83,137	\$ 86,047	\$ 89,059
Lee Tang/Aspec, CSO	\$ -	\$ 84,000	\$ 84,000	\$ 84,000	\$ 84,000	\$ 84,000	\$ 84,000	\$ 84,000
Gary L. Repchuk	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gina Leslie	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dharmesh Vora	\$ -	\$ -	\$ -	\$ -	\$ 24,600	\$ 24,600	\$ 24,600	\$ 49,600

PROPRIETARY TECHNOLOGY ASSETS

The company continues its strategic portfolio development of assets of which now accounts for over 14 platforms. These industry specific platforms currently meet the industry demands globally for the following sectors;

Technology	Status	Published
Genorocity.com	Completed	Yes
Check21SAAS	Completed	Yes
Mtickets.events	Completed	Yes
Granularchain .com	Completed	Yes
Profilr.social	Completed	Yes
Mytravel.menu	Completed	Yes
Onroute.tech	Completed	Yes
Distributer.email	Completed	Yes
Ijobs.shop	Completed	Yes
Menu.events	Completed	Yes
Qr.guru	Completed	Yes
Emphasispay.com	Completed	Yes
Articul8te.com	Completed	Yes
Axepay	Completed	Yes

PROPRIETARY DOMAIN NAMES

Over the year, the Company accumulated an important stock of Domains names in its main markets and in relation with its technology assets. This include a list of over 230 industry specific domains which is used to optimize the company's SEO and to influence marketing channel opportunities.

ABOUT EMPHASISPAY.COM MARKETPLACE:

The Emphasispay marketplace is the company's business channel for new opportunities and a distinguishing line of business for Partners, Resellers, & ISV's to work with their merchants and projects.

Our CRM & CMS solutions center platform is the proprietary solution of SmartCard Marketing Systems Inc. this agnostic platform enables the company to market and manage sales and support opportunities, webinar's and trainings. In addition, the company has developed its own scheduling and messaging solution center in order to manage clients. The advantage point is also the ability to white label the platform for VARs & Distributors to seamlessly introduce and manage client opportunities throughout their networks and merchants.

THE NETWORK EFFECT

SMKG has various embedded & integrated partnerships that enables our network to grow multifold. These partners are integrated on our applications & we leverage their network. This provides a larger audience for seamless deployment of our E-Commerce, Cloud & Mobility Solutions. With our portfolio strategy our focus is to enable large members like Visa & Discover, whose member Banks having large Merchant & Customers data pool accelerate growth.



THE NETWORK EFFECT: SALES, DISTRIBUTERS & PARTNERS

With Over 100,000 Sales Representatives, the importance of these Partners is their key roles in Cloud & Mobility infrastructures globally in IoT, M2M, SmartCity, Banking, WorkForce, Transit, Edu-Tech, Tele-

Medicine, Pharma, Retail & Manufacturing Units. Our Distributers & Partners have a vast existing sales-ecosystem & reach across multi-region & territories. We know that these key industry players hold important existing client relationships & has sought out our portfolio to leverage.

- Wipro Ltd: A US \$8B company. Represents SMKG in EU, Middle East & Africa Region with 188,000 Employees. (A1 Telecom - Austria, ITHRA - Saudi Arabia)
- Mumbai Fintech Hub: A Government Initiative promotion of Fintech in India. SMKG represents MFH globally to enable a link for Investors, Vendors, Partners, Fintech (80+), Technology Companies, Indian Banks & FI's. (PWC, Quotientica)
- Compuage India Ltd: 12500+ online & offline retailers, resellers & system integrators in SAARC Region.
- Redington Ltd: 80+ offices in India & SAARC Region, Middle East, Africa, South East Asia with 37,500 Channel Partners & Resellers.
- Ingram Micro: 17000+ Registered partners / Resellers across Indian Subcontinent.

Mumbai Fintech Hub (India):

- Smartcard Marketing Systems Inc. (OTC: SMKG) is affiliate partners with Mumbai Fintech Hub for the Government of Maharashtra India's "FinTech Investments and Deals Program" globally.
- The FinTech Investments and Deals Program ("Program") is supported by industry, ecosystem players, and MahaIT (India) through Mumbai Fintech Hub to catalyse funding access and strategic partnerships between FinTechs, investors, and partners. It would be a continuous matchmaking digital platform with 3-4 sprints every year and 2 investment summits to celebrate success stories and facilitate networking.
- The Program will host a democratized digital investment platform encompassing buy side (PE / VC / Angel / Financial Institutions), sell side (FinTech start-ups) and strategic partners (customers / channel partners / capability partners).

Visa Everywhere Initiative:

- We work on the Visa Direct and Visa Cybersource as a payment gateway developer
- Selected in a Partner Spotlight in July 2020 for the companies to look out for digital disruption
- Been selected as top 3 organizations for Visa Everywhere Initiative in India for our Permission based digital ID key and onboarding solution with Video eKYC

Gbazzar (Guyana):

- Smartcard Marketing Launches its Generocity Platform in Guyana creating a digital Retail platform and wallet with a suite of features for Mall, Hotel & Entertainment Property, Theme Parks, Enterprises, Franchisers and more; Coupons, Cards, Loyalty points, Social-media, Offer Showcase, Promoted offers, Proximity, Beacon Tech for both Web & Mobile Applications with payment gateways.
- The platform enables mobile & Virtual wallets, Card Management Module and provides a payment gateway for the Guyana and the Islands.

IDBRT:

- The Institute for Development & Research in Banking Technology is a Reserve Bank of India Initiative for Research & innovation. Partners to enable design & implementation on Digital Transformation. (5G, Rural Switch Deployment)

Axepay:

- With Axepay - Smartcard Marketing Systems Inc. is working in multiple regions making us payment gateways for ASEAN and Africa region.
- Cross-Border FX Payment Rails for 42 Countries + AML (230 Countries) + China Businesses & Individuals
- Unified Payment Solution (Upto 33M Customers)
- Enabling Sending, Receiving & Top-up Treasury + Card Networks + Crypto, FIAT & Coin Exchanges + E-commerce, E-Billing & E-Escrow

Xpay:

- PCI Compliant Remote Hosts + PF License (PH)
- EMV PoS Device Certification
- MPoS ready
- Blockchain AI

OriginatorX:

- Fungible / Non-Fungible (NFT) Issuing Assets & Debt Tokens
- Underwriting of Assets or Debt
- Issuing Ethereum
- SmartContracts +Smart Auctions
- Auditing
- Listing

OUR INFRASTRUCTURE (✔) & FUTURE PROJECTS (!):

Our Infrastructure & Future installations enables our partners to leverage our hosted solution amplifying their deployments across the continents. The largest complexity milestone for SMKG to deliver Sales & Support to pair up with it Sales Network effect is to localize Cloud & Mobility Infrastructure in key Countries supporting regulatory requirements keeping data & security domestic by providing PCI Compliant turnkey ready to deploy for our Partners & Customers.

AWS (NORTH AMERICA), AWS (PHILIPPINES), AWS (INDIA)

Our Presence

-  North America
-  India
-  China
-  Philippines

Additionally the opening of a China based office to support Cross-border services.

DEFINING LINES OF BUSINESS 2021

Crypto, NFT, Tokens
& BlockChain

Merchant Approvals with
Processing partners for MDR% &
FX rates- commissions

4) Underwriting &
Issuing & Smart
Contracts

3) Payment
Underwriting and
Acceptance

1) Development
& Certifications

2) Licensing to:
a) Distributors &
Resellers
b) FI's, Telecom
and Enterprise

Proprietary Solutions & API
Integrations for clients & FI's

A) Direct licensing Sales &
Recurring transaction
revenues
B) ISV integrations &
Added Value Sales

MARKET SIZE OPPORTUNITY STATS: 2021 – 2025

Our Specialized Industry Applications Combined Market Valuations Opportunity of \$ 205.8 Trillion for 2021 to 2025

Platform	Industry	Snap shot
Articul8te	CRM	CRM market is now worth about \$44.64 billion USD By 2025, the market is projected to nearly double once again, reaching \$80 billion
iJobs.Shop	Jobs Market	The #Global Recruitment Software Market will grow by USD 683.80 mn during 2020-2024
Onroute.Tech	Transit Management	The global smart transportation market size is expected to grow from USD 94.5 billion in 2020 to USD 156.5 billion by 2025, at a Compound Annual Growth Rate (CAGR) of 10.6% during the forecast period
Mtickets Events	Events Management	Global virtual events market size was valued at USD 77.98 billion in 2019 and is expected to grow at a compound annual growth rate (CAGR) of 23.2% from 2020 to 2027
Check 21 SaaS	Banks	Amid the COVID-19 crisis, the global market for Intelligent Electronic Devices estimated at US\$12.4 Billion in the year 2020, is projected to reach a revised size of US\$17.5 Billion by 2027, growing at a CAGR of 5.1% over the analysis period 2020-2027
OriginatorX	ERC20 Tokens	Net worth of the ERC20 token ecosystem is roughly \$2.5 billion larger than the \$26.7 billion Ethereum valuation the combined total of all the ERC20 market caps measured \$29.2 billion, while Ethereum's valuation is measured at \$26.7 billion on July 13, 2020
Profilr Social	Lead Investigation	The global social media analytics market size is expected to grow from USD 3.6 billion in 2020 to USD 15.6 billion by 2025, at a Compound Annual Growth Rate (CAGR) of 34.1%
QR Guru	eCommerce	The global ecommerce market had sales reaching \$3.5 trillion and represented 14% of the total share of global retail sales by the end of 2020, global ecommerce sales will reach \$4.2 trillion and make up 16% of total retail sales
Menu Events	Menu Management at Events	The global restaurant management software market is projected to reach USD 6.94 billion by 2025
My Travel Menu	Transit Menu Management	The global market for catering services is expected to reach \$616.24 billion by 2023 while growing at a constant CAGR of 4.5 percent.

Distributer Email	Email Management	The global digital marketing software market size was valued at USD 43.8 billion in 2019 and is expected to register a CAGR of 17.4% from 2020 to 2027
Granularchain	Onboarding	Document capture software market is poised to grow by USD 3.58 bn during 2020-2024, progressing at a CAGR of 12%
	Digital ID Key	Digital Identity Solutions Market to grow at 16% CAGR to reach US \$33 billion by 2025
	Video eKYC	The global e-KYC market anticipated to reach USD 1,015.36 Million by 2026. The anticipated CAGR for the e-KYC market is around 22% from 2020 to 2026
	Documents Vault	Globally, the digital vault market is expected to grow from USD 451.63 million in 2018 to USD 873.81 million by 2023, at a CAGR of 14.1% during the forecast period, 2018–2023
Doctor Vid	Tele Medicine	The global digital market size is expected to expand from \$140 billion in 2018 to \$ 380 billion in 2024
Phaces.io	Facial Recognition	The global facial recognition market size was valued at USD 3.4 billion in 2019 and is anticipated to expand at a CAGR of 14.5% from 2020 to 2027
Eschool System	Online Learning	The global online education market is projected to witness a CAGR of 9.23% during the forecast period to reach a total market size of US\$319.167 billion in 2025, increasing from US\$187.877 billion in 2019
Genorocity	Market Place	Before COVID-19, we had forecast that global retail would expand by 4.4%, to \$26.460 trillion in 2020. For ecommerce, those figures had been 18.4% growth and \$4.105 trillion in sales. However, with decreased retail forecast by over 10 % points and ecommerce forecast by 2 percentage points. This reduced overall outlook for retail ecommerce sales by \$190.79 billion
Axepay	Forex Management	2020 forex market, the average volume traded per day is \$6.6 Trillion.
	Digital Payment	The transaction value of global mobile payments market was USD 3714. 5 billion in 2019, and it is expected to reach a value of USD 12,407. 5 billion by 2025, registering a CAGR of 23. 8% over the forecast period 2020 – 2025
	eCommerce	The global ecommerce market had sales reaching \$3.5 trillion and represented 14% of the total share of global retail salesby the end of 2020, global ecommerce sales will reach \$4.2 trillion and make up 16% of total retail sales

FINANCIAL ESTIMATES:

Forecast: FI's & Enterprises, Merchants & Customers Onboarding

TARGET***: For each Financial Institution we estimate a minimum average size of 2 Million Customers & the indicated merchants in the above table ratio. Whereas for each Enterprise the minimum average size of 500,000 customers shall be enrolled & activated directly or through their Merchants. The low average used is considered the basis bottom-line transaction size in the current market. Average customer Transactions range from 10 times a year or as much as 12 times per month & even daily depending on the Popularity, Efficiency, & Cost Effectiveness of the products.

EXECUTIVE TEAM:

MASSIMO BARONE CEO, Chairman & FOUNDER

Montreal born entrepreneur with over 25 years of entrepreneurial experience. Mr. Barone joined the technology sector in the late 90's after leaving the family Restaurants and Hotel Concessions business. Initially, leaving the industry to be part of one of the first online bank offerings by Bank of Montreal BMO in Canada in the early 90's, Mbanx. He realized the possibilities and immediately began focusing his interests in the alternative payments sector. This transition became the foundation for his technology expertise and start-ups throughout the 90's, and his success today at SmartCard Marketing Sys Inc (OTC:SMKG).

During the past 25 years he founded three tech companies, each of which were successful in securing multiple series of investment rounds of capital, from private and institutional sectors. Additionally, all 3 tech companies were transformed from private to Public Co's each within their first 2-3 years of inception. The main focus of each was Payment technology focused with industry specific business processes intelligence. Mr. Barone has developed a significant network of people, financial institutions and enterprises around the globe. He has also developed a significant reach into Asia & India.

Today Mr. Barone continues to develop and implement technology solutions for the Fintech & Retail marketplace. He is the Founder & CEO of SmartCard Marketing Systems Inc. (OTC:SMKG) a Fintech company with Banks, Telecoms & Retail Enterprises as customers. He also works with many start-ups to develop and commercialize service solutions.

PAOLO CONTINELLI Chief Business Development Officer AND CO-FOUNDER

Mr. Continelli has over 20 years of experience as an entrepreneur and a visionary in the payment and technology space. He has extensive experience in general contracting having grown into a family business, which he then took operational and sales control in the late 90's and successfully tripled the sales and fleet of the company and later sold. Since then he got involved in the payment sector looking for a challenge and change. He has been involved in multiple start-ups from initial seed capital, concept to live production while working in global markets. During the past 10 years he has worked extensively with banks, telecoms and variety of businesses in Asia to implement payment applications., Mr. Continelli is currently responsible for business development in multiple markets for SmartCard Marketing Systems Inc.

MICHELE (MIKE) TASILLO CFO

Mr. Michele Tasillo, also known as Mike, serves as a Finance Manager of Smart Card Marketing Systems Inc. Mr. Tasillo was the Founder of Hybrid PayTech World Inc. (known as Freeport Capital Inc.), served as President and Chief Financial Officer until January 2014. He has been active as a Consultant and

Educator for the past 20 years, specializing in ISO Certification Standards in the Construction Industry dealing with Municipal, Provincial and Foreign contracts. He also brings vast experience with project management, implementation and deployment of products. He served as a Director of Hybrid PayTech World Inc. (Freeport Capital Inc.) from November 19, 2009 to February 8, 2014.

DHARMESH VORA
VP SALES

Mr. Vora is an astute professional with 14 years of experience in Consulting organizations with their IT and HR needs. Graduated in India from Pune University in International Trade and Business. Also, an Electrical engineering.

He has worked with global organizations like Franklin Covey and Antal International and has a proven track record . Hie has extensive training on global training material offered by BlessingWhite, Mahaan Khalsa and Dr. Stephen Covey.

He has been in the Indian subcontinent working closely with senior leadership teams of MNCs and Stakeholders of MSMEs. An expert in understanding the opportunities and challenges in the organization with C-Suite Executives and CXOs suggesting alternatives.

He has collaborated with major institution including Mumbai Fintech Hub, Visa Net, Wipro, Compuage in India, European Union, Asia and Middle East.

LEE TANG
CTO

Mr. Tang graduates from Concordia University with a Bachelor degree in Computer Science is a seasoned senior IT consultant with more than 20 years of experience in IT and Telecom sectors. He worked with clients from various industries like FinTech, Pharmaceutical, Marketing, Retail, BPO, Nature Resources and International Trading. He held many important key IT roles and positions in his IT life, from Systems Director, to Data Center Architect, to VP of IT and Security, to CTO. His broad knowledge of different aspects of the IT makes him a great asset to any company.

Mr. Tang's extensive experience on new start-ups grants him to be an ideal partner to have on new ventures. He knows no single approach is the right one for every start-up company, the dynamic environment and limited resources of the start-ups make each one very unique and challenge. That's why Lee often finds creative solutions in order to satisfy the specific needs from business side, helping company to reduce TCO while maximizing ROI, paving the way towards success.

GARY REPCHUK

Mr. Repchuk has over thirty year's management/executive experience and technical skills in Mobile Payments, Banking, Payment Processing, and Financial Technology complemented by a Master of Business Administration. An Operations Professional that utilizes the new technologies to deliver process improvement to global enterprises.

He previously led an innovative team of software development professionals that delivered a payment omni-channel ecosystem now processing for multiple Global Partners in the Airline, Telecom and Cryptocurrency industries. The middleware platform enabled the simultaneous management of Enterprises, Merchants, SmartPOS, Banks, Fintech's and global processors. As a highly motivated executive and a collaborative negotiator, he successfully directs enterprise wide cross-functional projects, fosters new global relationships.

Previously carved out a unique strategy that has attracted the world's largest SmartPOS manufactures to the VPI Mobile Laboratory that housed a payment switch, fintech gateway, and a certified key injection facility that doubled as an acquirer certification facility. Delivered a true All-In-One mobile payment platform that supports stand-alone and semi-integrated solutions and has captured the attention of national and international institutions interested in managing every aspect of their payment requirements.

ERIC M. SHERB CPA

Mr. Eric is a CPA with over 13 years experience in accounting advisory, auditing and mergers and acquisitions. He began his career at PricewaterhouseCoopers and has several years 'experience in mid-size audit and consulting firms with clients in a variety of industries.

Eric is the founder of EMS Consulting Services, which provides outsourced CFO services to private and public companies. Eric has extensive experience in SEC financial reporting, audit and IPO readiness, financial modeling and technical advisory. Eric graduated with a BBA from Emory University in Accounting and Finance.

GINA LESLIE LLB

Gina commenced her legal career in Toronto practicing Securities Law and reviewing contests for clients. When Canada's largest casino, Caesars Windsor, opened for business, she was appointed the first Vice-President, General Counsel and Compliance Officer in the gaming industry in Ontario, Canada. In this role Gina was responsible for overseeing and managing all legal and regulatory aspects of the Company's operations including gaming, anti-money laundering and privacy law matters. Her role also included being a member of the Executive Committee and leading various departments including Purchasing, Internal Audit, Risk Management, and Compliance.

Gina is known for her ability to provide a business approach to legal issues and to develop creative solutions in an exceptionally fast-paced and newly emerging regulatory environment. In doing so she supported customer service goals while maintaining compliance with the legal framework in a highly regulated industry.

Gina is Founder and President of Axepay Inc. a private company with proprietary business relationships servicing fintechs, banks, governments, enterprise and business (b2b, b2c, b2b2c) for a combination of services in the payments industry. She has experience in the payments industry as an entrepreneur in emerging markets including China, Vietnam, and the Philippines and with a bitcoin exchange in Hong Kong.

Gina was Chair of the Windsor Chamber of Commerce and a member of the Board of Directors, a member of the Board of Directors of the Windsor Essex County Development Commission, a member of the Odette Management Advisory Board at the University of Windsor and a member of the Board of Governors at St. Clair College.

VINAY KOTAPATI

VP FINTECH

Mr. Kotapati has 25 years of experience in IT service delivery (Strategy, Design, Execution & Excellence, Transition, Operation, Performance) associated with business IT change linked to mergers, acquisitions and corporate transformations. Have also Built strong relationships across industry spectrum with market makers, venture capitalists, idea feasibility, due diligence and business discovery initiatives across USA, India, Europe, and South Africa.

Mr. Kotapati brings the thoughtful leadership. anchor and engagement differentiation to deliver operational excellence and shape-up value adding solutions that enables customers to meet their changing needs of the global landscape.

His Competency Origins include – Early induction working with Big Five consulting (KPMG, Deloitte) and major System Integration Companies (Tata Consulting Services, Wipro, Satyam) across the global locations on either side of Atlantic with subsequent high profile engagements spanning across Asia Pacific, EMEA and US regions for various clientele.

EXECUTIVE SUMMARY 2022:

SMKG is a highly recognized Paytech and Fintech Co. with a proprietary portfolio of 18 specialized Ecommerce, Cloud & Mobility applications for marketplace technologies.

The company has focused its sights on developing distribution partners throughout 2021 leading into 2022 with a core focus on Blockchain and Embedded Cross-border payment for Cloud & Mobility infrastructure Engineers and Advisors that work with ; AWS, Azure, Google Cloud & Oracle

Recently, through strategic partnership relationships established with Visa Everywhere, Mumbai Fintech Govt, ITD cloud, Fiserv & Compuage Infocom to list a few, we have strengthened our position in the global marketplace.

Our key clients include ICICI bank of India, Axepay Inc, Unified Signal Inc, Xpay.world Inc, OriginatorX, Xcoop, Shekel World, and Atlas Tech of the Caribbean. This positions us for accelerated growth in Digitization and Business Continuity as a key Digital applications provider to Banks, Telecom, Enterprises and SME's.

TARGETS 2022-23

Our aim is to build up a client “activation” for the next 3 years of up to 75k to 100K merchants on a potential book of 750k to 1m merchants. This shall be achieved through our channel partner distribution and direct treasury clients.

Each white-label opportunity shall bring upward of 5000 to 25000 merchants, whereas with a collaboration with a Financial Institution (FI) or a Telecom this number shall leap upward to 50,000 to 150,000 merchants.

SOFTWARE DEVELOPMENT

The company continues to outsource modular development and technical support to 3 major service providers. On this strategy the company has expanded with a BPO strategy to extend to its customers with the launch of the Payments.studio lab. The lab combined with the “Brand As Your Own” strategy with our clients is proving very well accepted and we will continue to define this line of business to grow as a significant source of new revenues throughout 2022 to 2023.

FINTECH ACCELERATOR OFFERING PROGRAM

The company’s management has established a Fintech partnership with Mr. Vinay Kotapati ENG. He leads the Findigm initiative which uses the SmartCard Marketing Systems Inc portfolio.

Year	Financial Institutions	Merchants per Financial Institution	Enterprise	Merchants
Year 1	3	15,000 (x3)	20	5,000 (x20)
Year 2	10	20,000 (x10)	100	7,500 (x100)
Year 3	25	25,000 (x25)	250	10,000 (x250)

OTC:SMKG portfolio of technology. His initiative is to transform the portfolio into licensing opportunities in India with Banks, Insurance and Agriculture industries.

OUR GATEWAY NETWORK:

The company’s reach and breadth are enhanced by a diverse networks of payment gateways and vendors in many countries. The company works with Payment processors, Issuers & Acquirers to continuously expand on its seamless payment & gift card suite for Ecommerce, EMV MPOS & Virtual terminal products capabilities.

INTEGRATED PAYMENT GATEWAYS

Worldnet (USA, Europe, Ireland)
Axepay(China, International)
Xpay World
PayFacto (Canada)
PayPal (Worldwide)
Stripe (USA, Canada)
Spreedly (Worldwide)
MojoPay (USA, Canada, Europe)
Humboldt Merchant Services (USA)
Inovio (USA)
Authorize.net (USA)

Visa Cybersource and Visa Direct
Discover Card Networks

OUR VENDORS

Unrapp
Valvid
Infobip
Unrapp
Kontakt.io
ThreatMetrix
Contact Innovations
Idtechproducts
Xpay World
Jet Webinar
VISA Everywhere
Fiserv

CERTIFICATIONS - PROCESS & MAINTENANCE

The company works with payment gateways internationally. Each certification process is managed independently with the vendor and enables their PCI scope in our environment builds.

We use a multi-tenant build technique with all our solutions. This enables us to isolate each merchant as an individual account boarding their own credentials on the network.

EXECUTIVE SUMMARY AS OF DECEMBER 31ST, 2021

The Board of directors and management developed a world class technology portfolio for the Payments and Fintech Industry. Our implementation of our own marketplace is our commitment to develop a global reseller marketplace and work with sales networks to increase conversion rate of opportunities to customers.

In the past year key partnerships and integrations have been an important part of what we do and facilitate our deployment plans in specific regions. These partnerships have upfront development costs but create opportunity for easier acceptance by larger pools of merchants.

With these various technology partner's we now have material clients and opportunities that are flowing which will have a significant impact on new revenues from ongoing transactions and licensing. This plan will lead to substantially improving cash flow and minimize the operating risk moving forward.

In addition to the difficulties that began with Covid 19 in Asia in the 1st Quarter of this year, we are working to further transform our digital strategies to be a leader in the business transformation toward 4.0 strategic deployments and a major source of new income for the company through distribution sales of the portfolio offerings.

CAPITAL FUNDING PLAN 2022

12 - Month Outlook

The company was successful throughout 2021 to achieve the Pink Compliant Status, Up-list a tier level to OTCQB and complete a 2nd consecutive year of Audited FS with BF Borgers. The company is on its path to an S1 registration now with Attorney Evan Costaldo leading the file for SMKG to complete the transition to a Fully Reporting Issuer in the US with the SEC. These steps will bring the company eligibility to then trade in Canada and allow for the revocation of CTO by the Canadian Securities Provincial Agencies.

The company is working on an S1 Filing which will be filed following the 2021 Dec 31st year end audit. All is subject to meeting approvals and the company's initial offering target which can amended to match market conditions. In addition, the company continues to work with the OTC Markets analysts to qualify the company as an SEC Issuer regulated company. The initial filings and applications will be followed through as the new year progresses, and we continue to work with the both OTC Markets, Canadian and US Regulators to seek trading resumption in foreign markets including Canada. Albeit, this has become challenging through this part of the year as many offices and staff are challenged with time constraints across multiple industries.

Historically the company has had operating losses and negative cash flows from operations. Whether, and when the company can attain profitability and positive cash flows from operations is uncertain. These uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

The Company will need to raise capital in order to fund its operations. To address its financing requirements, the Company will seek financing through debt and equity financings and rights offerings to existing stockholders. The outcome of these matters cannot be predicted at this time.

CEO OUTLOOK 2022 THROUGH 2025

Throughout 2021, we saw the second year of COVID-19 being a dominant force, the global economy, and all of our lives impacted. Enterprises and FI's continued their focus on resiliency in their mission to ensure that their customers have the capacity to operate despite the volatility. The fundamental strategy for the company to secure infrastructure which despite significant disruption was able to main operations and focus on key areas.

One highlight for SMKG was the innovation continued through next generation of development in Web3.0, Banking4.0 and Tokenomics, embedding utilities and protocols with our intellectual property development for industry infrastructure. This rapid journey of adoption in Blockchain and Business Intelligent Processes is creating a tremendous demand, barriers by regulators and fraud still top priorities to regulate.

We advanced in artificial intelligence, machine learning and virtualization in the workforce with focuses on several deployments in 2022> the company has partnered with several key payment acquirers and processors in multiple markets, this allowing for faster entry with pre-certified and compliant products. This network leverage and combined scalability with AWS cloud infrastructure, services, allows the company to work virtually in any data center, using co-location space, or on-premises facility – within ready-to-deploy mindset.

Cloud & Mobility

Through partner providers AWS and Azure, The company seeks to power a truly cloud-based market infrastructure that is more resilient, scalable, and accessible for all FI's and Enterprise participants. Our IP portfolio using the Cloud and Mobility infrastructure unlocks value and provides our clients with faster deployments, security, added flexibility and scalability at their pace.

As a driver of technology evolution, we are focused on fueling collaboration and innovation transform the Enterprise and Financial Industry markets.

Customers

While we've seen and continue to see substantial investments in the modernization of market infrastructure, it's not just about the backend architecture. Now market infrastructure operators are planning for the next phase, which involves implementing digital interfaces combined with business intelligence for an improved customer journey. We're seeing consumerism and merchants thrive, driven by applications, marketplaces and blockchain with the potential to operate much more efficiently. This means that we will see the introduction of more partnerships with vendors.

Our response, we launched our digital service portal called [Emphasispay.com](https://emphasispay.com) in 2021. The portal allows for partners and merchants to engage digitally. We also went one step further to build our brand reputation, all the applications of the company are hosted in live production for showcasing and demonstrations. This gives the customers the true ability to test and configure as per their requirements and see the ecosystem and functionality in motion.

Also, to access API's, content, data and our applications. Empowering clients with secure access to self-services and a real-time view of data and settings means that manual work spent on routine tasks can be massively reduced, as well as service response times, to name a few of the benefits.

An Exciting Year Ahead with Challenges

We're constantly investing in services that bring value to our clients and allow them to define their path toward digital transformation. We've are seeing demand increase and favorable outcomes toward our strategy. We continue to bring critical market infrastructure as a service to our clients. We leverage our investments in R&D and our partnership with vendors to create a digital ecosystem that is both proven and reduces the risk for our clients. The applications and infrastructure we combined brings more value and reducing barriers through innovative and transformative market infrastructure over the next decade.

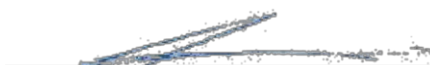
May 16th, 2022

To Whom It May Concern:

We the undersigned do certify that:

1. We have reviewed this 1st quarterly report ending March 31st 2022 for SmartCard Marketing Systems Inc.
2. Based on our knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on our knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Sincerely,



Massimo Barone
CEO

Smartcard Marketing Systems Inc.



Michele (Mike) Tasillo
CFO

Smartcard Marketing Systems