



Upco International Inc. Announces Corporate Update and the New Business Growth Strategy

Vancouver, BC, July 9, 2020, Upco International Inc. (CSE: UPKO) (OTCQB: UCCPF) (FSE: U06) (“Upco”) is pleased to announce transformative changes to the corporate business model, undertaken to position the company to more effectively respond to – and benefit from – the rapid growth and evolving opportunities in the Wholesale Telecom and Digital Services sectors. Changes to the business model are driven by the new Board of Directors, formally appointed in May 2020 (reported earlier), and reflect their extensive experience and expertise in the target markets.

Salient elements of the Upco model are as follows:

1. Re-align current activities into discrete business units based on target sector: one for Wholesale Telecom and one for Digital Services. Wholesale Telecom will be coordinated by Upco international but managed operationally by dedicated companies that will be encompassed in the Upco group of companies over time. Digital Services will be coordinated through the wholly owned US subsidiary, Upco Systems Inc., based in New York. This natural division will enhance business focus and activities in the two key areas, while also substantially extending Upco’s focus on the US market. Upco’s new business model will be based on building a **Federated Business Platform** for the Telco-digital industry. While such platforms are becoming the predominant business model in the digital era, their application to the Telco business is very limited worldwide, and substitute services are gaining momentum. Upco’s model responds to an opportunity to leverage this approach and play a lead role in this new era in the Telco-digital industry.
2. In the Wholesale Telecom sector (wholesale voice and SMS, retail voice, data roaming) undertake to become a major player within 3 years. A key focus, referenced above, will be to respond to the trend in the Wholesale Telecom industry toward consolidation. Via the **Federated Carriers Program** (FCP), which is a new aggregation formula “Federation” initiated by Upco, strategic partners (small to medium-sized carriers) will consolidate their market positions into a scalable market force, “Upco International”, that will act as common platform by centrally coordinating processes for all partners. FCP will inherently provide synergies in administration, commercial and technology areas, achieve cost savings, and improve cross-selling capabilities, benefiting member organizations accordingly.

This base will be grown through a complementary process of M&A with carefully selected carriers based on revenues and access to different World Telecom Operators. The expertise and reputations of the management team within the Wholesale market, and their substantial knowledge of associated Key Success Factors will be integral to the overall strategy.
3. In the Digital Services business unit, position Upco to respond effectively to Digital Transformation by continuing to focus in two key areas: Voice & Data services, and Digital payments & money transfers. Reliable, cost-effective Voice and Data services (Voip application for calls and chat) will continue to be delivered via the App by grouping these functionalities as UpcoNet. Digital payments will be accessible via the payment functionalities grouped as UpcoPay, a scalable and extensible

platform for A2A push payment transactions, which will evolve over time into an integrated suite of eWallet applications.

Upco's strategy invokes a four-phase approach as follows: 1) leverage core business capabilities and assets (Wholesale Telecom), 2) reinforce the core business by expanding into related areas (Voice and Data), 3) continue adding value to customers through extended offerings (OTT and UpcoPay), and 4) continued growth leveraging a synergized product mix. Key elements of the plan are targeted for delivery over a three-year period by 2022.

Mr. Andrea Pagani Chief Executive Officer, Upco International Inc., commented, *"Board restructuring, initiated in December 2019, introduced a very substantial depth and breadth of expertise to the senior management team in our core areas of business. Building on this experience and insight, strategic planning and acquisitions over the past several months have positioned the company not only to respond to rapidly growing opportunities in the Wholesale Telecom and Digital Services sectors, but to assume a leadership role over time. We feel that we have the right people and the right business model for these dynamic times and are very much looking forward to delivering on our vision."*

About Upco International Inc.

Upco International Inc. is a cloud-based mobile service company which provides high-quality voice termination to a market driven by the growing activity in online communications and commerce. Upco is a licensed Global Telecom Carrier within the international VoIP (voice over IP) wholesale business. Upco has designed a software application for Apple iOS and Android, similar to SKYPE and WhatsApp. With the forthcoming addition of the Upco e-Wallet using Blockchain Payment Services, users will be able to: send invoices, approve payments, transfer international funds, convert international currencies, and track transfers and payments. The application will also allow vendors to securely share account information with their clients.

Please visit upcointernational.com or upcomobile.com for further information.

ON BEHALF OF THE BOARD OF DIRECTORS

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Forward-Looking Statements

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Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that statements containing forward looking information will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should

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