

Upco International Inc. Announces Second Quarter Results ended June 30, 2020

Vancouver, BC, October 20, 2020, Upco International Inc. (CSE: UPCO) (OTC: UCCPF) (Frankfurt: U06) (“Upco”) is pleased to announce it has filed its consolidated financial statements and Management’s Discussion and Analysis for the second quarter ended June 30, 2020. These documents can be accessed from the SEDAR web site at www.sedar.com.

Upco reported revenues US\$ 4,625 (2019 - US\$ 36,446) and a net loss of US\$ 560,103 (2019 – net loss of US\$ 214,815) for its second quarter ended June 30, 2020.

The first 6 months of 2020 has been affected by the turbulent event of the global Covid pandemic. In the same time Upco International inc. announced the appointment of Mr. Juan Ramos Taboada as Upco’s Head of its Wholesale Telecom business unit and Mr. Sebastiano Massimo Galantucci as Upco’s Head of its Digital Services business unit. Both of them also entered in the Board of Director.

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.

Therefore, Upco’s strategy will invoke 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 by leveraging a synergized product mix. Key elements of the plan are targeted for delivery over a three-year period by 2022.

Upco has been working to launch in the coming months UpcoPay which is an innovative, highly secure and convenient eWallet solution to make person-to-person (P2P) and person-to-merchant (P2M) payments. Users will be able to view multiple account balances, load funds, settle payments and initiate peer-to-peer and FX transfers instantly within the app without the need to create an account or input bank details.

With regard the Q2 Financial Statements, the main focus of the new Management has been on corporate restructuring, reducing the liabilities with an excellent result by decreasing US\$ 290,773, in 6 months of work representing the 22,5% comparing the the Year End Financial Statements 2019.

Highlights for the two quarters:

- Announced the agreement with Token.io to leverage its open banking platform for mobile transaction processing. Under the terms of the agreement, UpcoPay, an extension of Upco Mobile Messenger, will use Token Pay™ to enable the delivery of account-to-account (A2A) transfer services and account-to-merchant (A2M) payment services. Token.io is a leading open banking platform provider, connected to more than 6,000 banks throughout Europe. Their platform enables PSD2 compliance, data aggregation and bank direct payments driven by Smart Token technology for banks and TPPs. Integration with Token’s open banking platform significantly enhances the options that are available via Upco Mobile Messenger, while simplifying A2A and A2M transaction processing. Token’s API provides pan-European bank connectivity, so that Upco can quickly and cost effectively establish a connection to any bank to initiate payments and data requests on behalf of its customers. Using Token’s interface, payments are confirmed instantly, and transaction fees are reduced by up to 50%.

- **StreamOn (Deutsche Telekom)**
Upco Messenger has been successfully tested by Deutsche Telekom, provider of StreamOn. Consequently, Upco will be added as a StreamOn “Social & Chat” Partner effective May 4, 2020. Deutsche Telekom, formed in 1995, is a German telecommunications company headquartered in Bonn, and the largest telecommunications company in Europe on the basis of revenue. Via StreamOn, users with a Deutsche Telekom Mobile SIM enjoy EU-wide use of the audio, video, gaming, and social media and messenger services of participating partners without using the data assigned to their contract subscription (i.e. essentially streaming without worrying about data usage).
- **Vodafone Passport**
Upco Messenger has been successfully tested by Vodafone GmbH, Consequently, The Vodafone Chat Pass program enables subscribers to use currently available Messenger Apps, now including Upco Mobile Messenger, to stay in touch without consuming their high-speed volume. The Pass program includes many major providers, including Facebook Messenger, Threema, and WhatsApp. And Upco has been officially announced as Partner effective July 24, 2020. Vodafone GmbH, a German subsidiary of Vodafone Group plc, provides mobile phone, DSL, LTE, cable internet, landlines, cable TV and IPTV services to customers in Germany. As of the fourth quarter of 2019, the company had 51 million mobile customers in Germany, making it the largest provider of mobile phone services in Germany. Vodafone Group plc is a British multinational telecommunications company, headquartered in London, and ranks fourth among mobile operator groups globally.
- **Telecom Targets**
Few discussions started after defined the new strategy for M&A, under the Federated Carrier Program (FCP). One of them is particularly in advanced stage. The signature of the Head of terms has been executed, meanwhile an additional one is going in parallel and should be coming to end by Q3. The two targets are fully complementary and together with an internal growth in the wholesale sector, Upco shall finally achieve the operational step which allow to be a player in the global telecom market.

About Upco International Inc.

Upco International Inc. (CSE: UPCO) is a Vancouver and New York City based telecom and digital services company founded in 2014 that provides price competitive, high-quality and privacy-protected telecom and communication payment social platform in niche markets globally.

The Company operates primarily in the telecommunication industry as a global telecom carrier within the international VoIP (voice over IP) wholesale business with a current focus on wholesale international long-distance traffic termination (the Wholesale Telecom business unit or B2B vertical of the business).

Complementary to the goals in its B2B segment, the Company targets to provide subscribers of partner global and local telecom companies reasonable pricing on high-quality on-network international calls, while still offering its users free texting, international airtime top-up capabilities (the ability to add talk-time/data to a user’s pre-paid mobile phone plan), and other social media features present in most over-the-top applications around the world.

The Company is also presently in the process of consolidating its wholesale business through the reorganization of its operations into Upco System Inc., while trying to develop its own customer base via its attractive rates and flexible calling plans offered through Upco-out in its Upco Mobile Messenger application (the Digital Services business unit or B2C vertical of the business). Additionally, the Company announced the development of UpcoPay to achieve its desired network effects among its customers in the short to medium term.

Please visit www.upcointernational.com for further information.

ON BEHALF OF THE BOARD OF DIRECTORS

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Forward-Looking Statements

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