

# Upco International Inc. Letter to Shareholders

## December 23, 2020

Vancouver, British Columbia--(Newsfile Corp. - December 23, 2020) - Upco International Inc. (CSE: UPCO) (OTC Pink: UCCPF) (FSE: U06) ("Upco") is pleased to send an update to all Upco stakeholders on what has been achieved in 2020 and the next steps. These documents can be accessed from the SEDAR web site at [www.sedar.com](http://www.sedar.com).

In July 2020, we announced the new strategy defined by the new Management appointed a few months earlier. We want to inform all Shareholders about the new plan and the strategy of Upco by emphasizing the determination to focus on the right priorities and the revenues which will flow in the company from now on in order to improve the business operations and ultimately, maximize shareholder value.

We would like to review what has been achieved by Upco during the last six months and provide an outlook for the next year, taking into account both internal developments and external conditions.

The highlighted areas of considerations are the following:

- Market Opportunities & Business Model
- M&A
- Restructuring & Financial control
- Sales and Marketing

### **Market Opportunities & Business Model**

The COVID-19 pandemic has disrupted the daily life of people everywhere. The Pandemic has emphasised our reliance on technology. Some of the changes, however, such as the accelerated shift from in-store purchasing to online and digital, present tremendous new opportunities. Following these recent shifts in consumer behaviour which we believe to be permanent, we have re-evaluated and shifted our efforts and priorities accordingly. Digital transformation is sweeping through all industries. Consumers have squeezed years-worth of adoption of apps and online banking into just a few months.

Upco's new business model is based on building a Federated Business Platform for the Telco-Digital space. While such platforms are becoming the predominant business model in the digital era, the application to the Telco business is very limited worldwide, and new services are gaining momentum. Upco's model responds to an opportunity to leverage this approach and play a lead role.

### **M&A**

Under the Federated Carrier Program (FCP), the first acquisition has been completed on November 21<sup>st</sup>, acquiring Equinox Group, which has given us an initial footprint in the Americas that is a very strategic for Upco for both areas' telecom and digital. The second one is in the pipeline, focusing on Asia, and this will complete the first milestone of our Strategy and will allow us to benefit from a consolidated over ten years market position in the region Asia-Pacific. The new target is fully complementary to our subsidiaries in the wholesale Telecom market; Additional targets will be considered based on the financial resource availability and the geographic location with the objective to create a long term conditions to grow up in the telecom arena.

This strategy will create a solid Revenues source that will enable Upco to accelerate its goal and ambitions.

### **Restructuring & Financial control**

With regard the Financial Statements, the main focus of the new Management has been on corporate

restructuring, reducing the liabilities with an excellent result by decreasing **US\$ 351.868** in 2020 of work representing the **27 %** in Q3 comparing the Year End Financial Statements 2019. All efforts dedicated to the restructuring and M&A without new capitals are the fundamental objectives achieved by the new management to start the strategy of Upco. Our ambitious plans are premised on our ability to continue funding our business. In 2020, we undertook cost cutting measures. Our disciplined approach to costs will continue through 2021. Surely the new situation will not avoid the need of additional financial resources to support the short- and medium-term growth of our targeted ambitious growth plan in the next 2 years.

## **Sales & Marketing**

Relevant goals are in the agenda of Upco as outcome of the work done in 2020, considered a transition year. Upco will support the overall sales strategy by obtaining revenue coming from the telecom operation. To scale up our sales and marketing activities on a bigger scale, new partners will be affiliated in the Federated Business Platform; Marketing resources will be necessary to achieve the telecom and digital sales growth which could come only from the new investments and push during the next years our Digital app Upco Pay.

The Board have been showing all Upco stakeholders, "we think differently" and pursue major objectives and opportunities. We have been developing new revenue strategies and technologies for Upco that we believe can be scaled globally and in which we can achieve a higher value in the following years. To get there, we will require all present shareholders to support us by attracting new investors who believe in our plan and execution.

On Management side, we will continue to be nimble and adapt our business model as market conditions evolve. We remain optimistic that these avenues will support our plans. With a smaller nimbler and more focused team we have achieved a great deal and proven to ourselves we are more than capable of thriving in this new economy.

UPCO's founder and CEO Andrea Pagani says: *"Our stock and the overall market have had extreme fluctuations due to multiple factors. While we typically do not discuss the performance of our stock price in our press releases or communications with shareholders, this year has been far from typical and we decided to make an exception.*

*I would like to thank everybody for the incredible support in the Market recently and we look forward together to have a positive impact really soon; I wish you all a beautiful Merry Christmas extended to all your family."*

## **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](http://www.upcointernational.com) for further information.

ON BEHALF OF THE BOARD OF DIRECTORS

Andrea Pagani, CEO and Director  
[office@upcointernational.com](mailto:office@upcointernational.com)  
212-461-3676

### **Forward-Looking Statements**

This press release contains forward-looking information or forward-looking statements (collectively "forward- looking information") within the meaning of applicable securities laws. Forward- looking information is typically identified by words such as: "will" "may" "believe", "expect", "anticipate", "intend", "estimate", "development", "forthcoming", "potentially" and similar expressions, or are those, which, by their nature, refer to future events. Upco cautions investors that any forward-looking information provided by Upco is not a guarantee of future results or performance.



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