



Q&A from Investors –July 23rd Webinar

1. How many Upco Mobile Messenger application downloads do you have so far?

As of mid-July 2020, we have 41,000 application downloads. We are very confident that we are going to get a consistent increase in downloads and product usage after launching UpcoPay.

2. Can you walk us through what eSim and PaytoGo are?

eSim is a data roaming product within the Upco Mobile Messenger application that provides with accessible data to users that are travelling beyond their carriers' operational boundaries.

PaytoGo it is the white label solution of UpcoPay we plan on offering potential partners in the future once the eWallet us fully operational.

Both eSim and PaytoGo (UpcoPay) products are part of Upco's last step in its Revenue and Profitability strategy. For more information, please see our July 2020 Corporate Presentation in our website.

3. When does Upcopay start with the beta test?

We are working to implement UpcoPay's beta test this August 2020.

4. When does Upco really start with Upcopay?

We are planning its commercial launch by this October 2020.

5. How does Upco want to make money with UpcoPay?

Revenues from UpcoPay will derive from transaction fees. However, it is worth noting that we aim at providing the lowest transaction fee for our users.

6. Which partners have already been found for UpcoPay?

Presently, we are in late stages to finalize an agreement with a master partner for Italy, our beta test market. Later on, we will focus in the rest of Europe before expanding to other regions.

7. Without marketing UpcoPay will not be well known. How will Upco raise its awareness?

UpcoPay's go-to-market strategy, which is the same as the overall Digital Services business unit marketing strategy, involves capitalizing on our relationships with telecommunication operators through our Wholesale Telecom business unit, plus developing an incentive-based strategy through a revenue-sharing

agreement with a carefully selected master partner that will drive the marketing and sales efforts while Upco provides the back-end capabilities.

For more information, please see our July 2020 Corporate Presentation in our website.

8. Can you walk us through a successful example of joint marketing in place for UpcoPay?

In 2019, we finalized our strategic partnership with Italy-based Sorgente Tesorino, a major bottler and distributor of mineral water.

Under the terms of the agreement, Sorgente Tesorino will promote UpcoPay by including consumer offers in each (multi)pack of mineral water distributed in Italy and China. Sorgente Tesorino will include a QR code on each bottle's label that consumers can scan to download the UpcoPay app. Within the app, a voucher can be used to buy additional bottles with discounts.

Regarding China, Sorgente Tesorino signed in April 2019 a production and distribution contract with the Chinese government group COFCO (China National Cereals, Oils and Foodstuffs Corporation).

The 15-year contract between Sorgente Tesorino and COFCO outlines an initial supply phase of minimum 2.3 million bottles per month, with the request to expand rapidly towards 10 million bottles per month. With the co-branding agreement in place, we plan to target millions of potential new users per month by inviting them to download the UpcoPay app. Additionally, Upco and Sorgente Tesorino will award consumers with e-commerce promotions, cash back programs and complimentary international telecommunications services for downloading the app.

The Chinese market received the first co-branded bottles the first week of December 2019.

9. What does the management say itself about UpcoPay becoming a highflyer?

We are very confident in UpcoPay because it not only provides extra features besides the traditional ones offered by other payment platforms available out in the market, but also because it aims at capturing the ongoing psychographic trends in the European market that already have a regulatory framework in place. For example, the open banking regulations through the Second Payment Service Directive (PSD2) in Europe and the adoption of push payment models.

10. Please explain in more detail Upco's new business model based on the creation of a Federated Business Platform for the telco digital industry.

The "Federated Business Platform" vision is the cornerstone of Upco's strategy to take advantage of the Telecom, Finance and Digital sectors consolidation.

With regards to our Wholesale Telecom business unit, we plan on using a Federated Carriers Program (FCP) approach. The FCP is a model of building a group of telecom carriers working under a global umbrella (Upco) to integrate market positions into a scalable operation to create cost savings at the infrastructure level and cross-selling capabilities among different market segments.

With regards to our Digital Services business unit, we plan on capitalizing on the FCP model used by our Wholesale Telecom area as detailed on Question 7. In other words, gain access to critical mass through a service-centric federation.

11. Which partners does Upco have in the B2B sector?

We currently have partners across Tier 1, Tier 2, and Tier 3 telecom operators, and we are expecting to close at least three Tier 3 carrier acquisitions in 2020.

12. Which services does Upco want to use to acquire new customers in the B2B area? What does Upco offer that the competition does not?

Upco's strategy in its Wholesale Telecom business unit or B2B area involves organic and inorganic growth.

With respect to the former (organic), Upco plans to expand its presence through selected partnerships in geographies where the competition has not currently expanded, such as Africa, Asia and Latin America, and where current Management has strong relationships with players in those regions, and aim at small players in more consolidated markets such as part of Europe and North America.

Regarding inorganic growth, we will use a Federated Carriers Program (FCP) approach for companies up to USD 20 million in yearly revenues, and we will aim at acquiring or merging with carefully selected carriers with over USD 250 million in top line and with access to different World Telecom Operators.

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13. Currently there is talk of expansion in America and Europe. How important are the markets in Africa and Asia?

Even though we see high potential in Africa (and Latin America), we are aware of its current infrastructure limitations and political instability that could obstruct our expansion plans. We see Asia as our biggest market for our Digital Services business unit and an important adjacency market to Europe, our core Wholesale Telecom business unit market.

14. What synergy effects are expected between the B2B and B2C sectors?

Besides how does the Wholesale Telecom performance affects part of the Digital Services go-to-market strategy (please refer to Question 7 for more information), we plan to achieve critical mass to the B2C sector (i.e., app users / consumers) by promoting the Upco App to the retail division of each Telecom Operator under the Wholesale Telecom business unit.

The objective is to reinforce and defend our core business capabilities and assets of the Wholesale Telecom sector by adding value (Voice & Data) to the different customers under those assets or Telecom Operators. Therefore, we would aim at helping develop the Telecom Operator / Carrier value chain by benefitting each link of the chain (service providers and end users).

15. Is the financing secured beyond 2022?

We will only seek financing under favorable conditions for existing shareholders and in line with our company life-cycle stage to avoid cashflow maturity mismatch concerns. Also, we will only incur in financing agreements that help us attain the desired growth that does not destroy value to our existing and future shareholders.

16. Are Bardi and LDA Capital still partners of Upco? What does the future cooperation look like?

Both agreements implemented by the past Board are frozen for the time being due to novel considerations by the new Board in place.

We plan to keep Bardi Co. as our investment banking advisor once we generate some growth, and we are constantly looking for new ways to secure funding for our recently developed strategy while being committed to existing shareholders to terminate ongoing capital injection deals for most favorable ones in the future.

17. Communication: How do you want to inform shareholders better/more regularly in the future?

As a public company listed in the Canadian Stock Exchange, we are required to prepare Monthly Progress Reports and other material information (Financial Statements and Management Discussion & Analysis documents, among others) to our shareholders.