



QPAGOS

Strategic Player in the Growing
Electronic Payments Sector

May 21, 2018



Forward Looking Statements

This presentation includes forward-looking statements within the meaning of the private Securities Litigation reform Act of 1995, as amended, on QPAGOS' current expectations and projections about future events. In some cases forward-looking statements can be identified by terminology such as "may," "should," "potential," "continue," "expects," "anticipates," "intends," "plans," "believes," "estimates," "indicates," and similar expressions. These statements are based upon management's current beliefs, expectations and assumptions and are subject to a number of risks and uncertainties, many of which are difficult to predict and include statements regarding the size of the market and potential business opportunities. The forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those set forth or implied by any forward-looking statements. Important factors that could cause actual results to differ materially from those reflected in QPAGOS' forward-looking statements include, among other things, future capital requirements and availability of financing, competition, general economic conditions, ability to expand and attract additional customers and the other factors described in QPAGOS' Annual Report on Form 10-K for the year ending December 31, 2017, subsequent quarterly reports on Form 10-Qs and any other filings QPAGOS makes with the SEC. The information in this presentation is provided only as of the date presented, and QPAGOS undertakes no obligation to update any forward-looking statements contained in this presentation on account of new information, future events or otherwise, except as required by law.



About Us

QPAGOS is a leading electronic payment solutions developer, processor and supplier to financial institutions, merchants and service providers in Mexico.

The Company helps consumers and merchants connect more efficiently with its service providers by providing a payments ecosystem across multiple devices such as self-service kiosks, mobile apps, and many more.

With its professional in-house IT team and a ten-year renewable exclusive license agreement from a global payments pioneer, QPAGOS provides proven advanced payment solutions and services that have been deployed in countries across Europe, Asia, and the North and South American continents.



Our Business

QPAGOS' Electronic Payment Solutions



Mobile Cashiers

QPAGOS mobile cashiers assists small businesses by enabling them to receive payments via their mobile devices.

"Monedero"

QPAGOS "Monedero" allows users to do transactions through their mobile devices in a secure and timely manner.

Payment Solutions Integration

QPAGOS payment solutions are designed for seamless integration with retail chains and financial institutions.

POS Devices

QPAGOS POS solutions offers fixed or mobile versions of the devices, with or without a printer.

Self-Service Electronic Terminals Kiosks

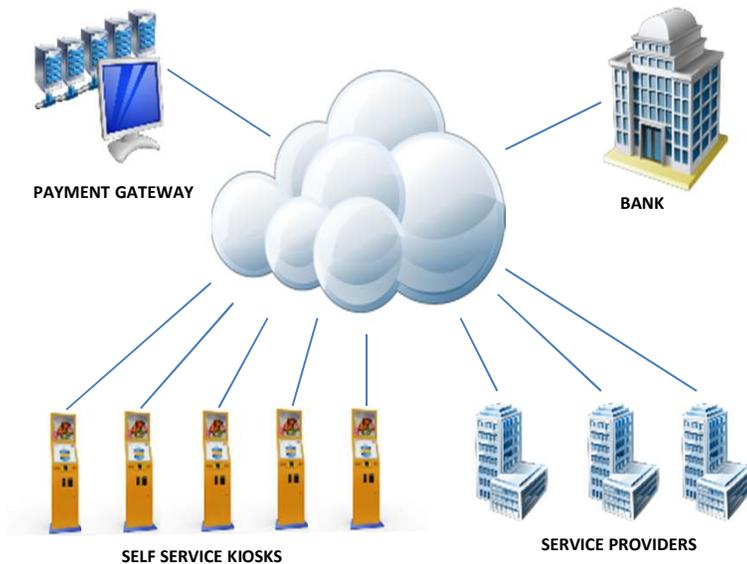
With user-friendly touch screens, our self-service kiosks allow users to make payments to over 140 providers.



Our Ecosystem

Multiple Payments through Multiple Devices

Comprehensive Solution Sets: QPAGOS' solutions can be tailored and customized to meet clients' needs. QPAGOS' platform covers payments to retailers, governments, telecom, utilities and more, through multiple devices including end users' personal mobile phones and self-service kiosks.



QPAGOS Payment Gateway: Interacts with multiple vendors through multiple devices, allowing payment solutions that cater to every business model and need. LAN, Wi-Fi or Mobile Data connectivity allows for broad geographic coverage.



Our Business

Electronic Wallet – Monedero Qpagos

QPAGOS ecosystem provides service providers and users an innovative, convenient and secure payment experience.

QPAGOS' kiosks are designed to tackle the problems consumers face when dealing with cash transactions. They're equipped with transformative technologies that enable users to deposit cash to QPAGOS' electronic wallet – Monedero - for future top-ups or purchases through QPAGOS Mobile Apps.



SIMPLE &
ACCESSIBLE



DEPOSIT & TRANSFER
INSTANTANEOUSLY



DIMENSIONAL
APIS



SAFE &
SECURED



Our Business Self Service Kiosks





Our Business

Sources of Revenue



Payment Processing Fees

- Fixed transaction fees
- Solutions Development



Service Provider Commissions & Fees

- Prepaid mobile minutes and data
- PIN-on-receipt (iTunes, Xbox, etc.)
- Utilities, National Lottery, Transport, etc.



Kiosk Sales & Rentals

- Kiosk sales are paid in full
- 24 and 36 month leasing plans
- Monthly rental fees



Advertisement Fees

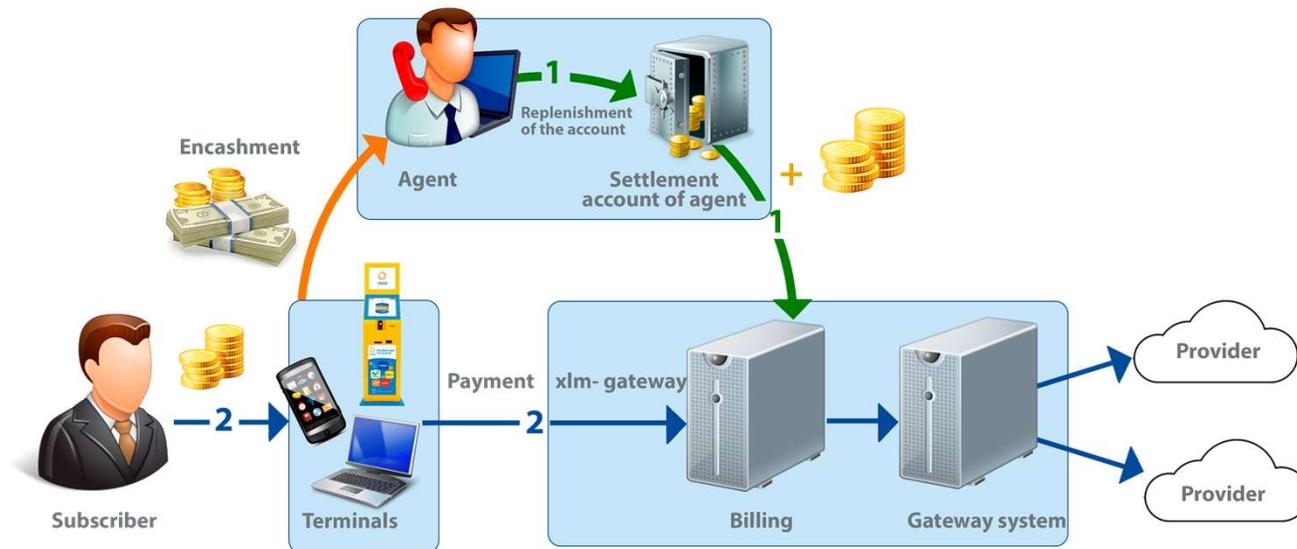
- Advertisement displayed on our app
- Video display advertising on kiosks



Our Business

QPAGOS Payment Gateway

Processing Platform: Payments are collected through different devices and interfaces such as self-service kiosks, WIN terminals, Java terminals, XML connections, and mobile apps allowing for end-to-end controls of all financial operations, providing real-time monitoring services, and reporting.



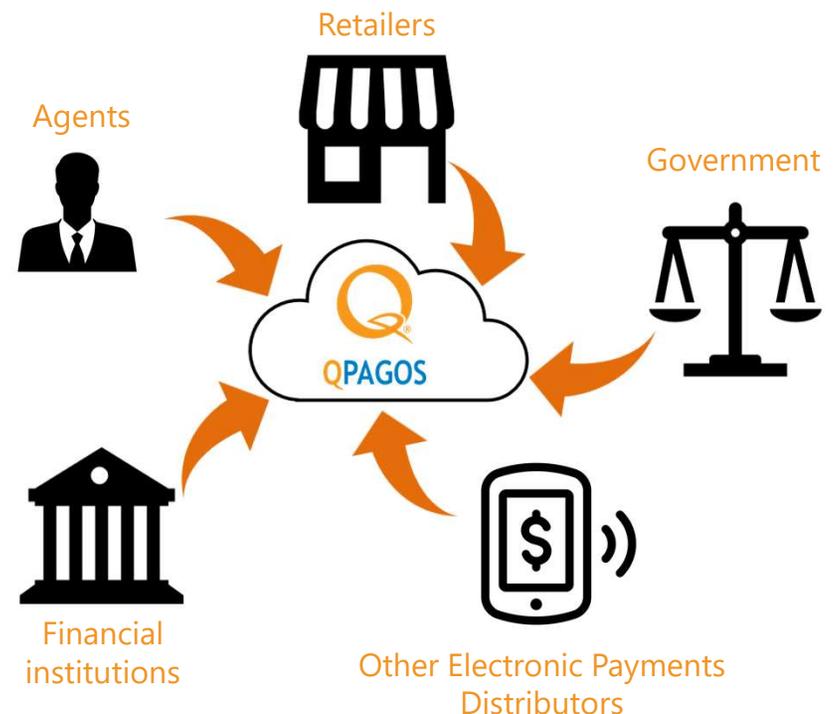


Our Business

Clients & Distribution Channels

QPAGOS over 10 payment services are accessed through a distribution network along several verticals, principally:

- An agent network of independent businesses with high customer traffic in which kiosks are deployed;
- Retailers that seek to decongest teller lines and shift service payments to self-service kiosks;
- Banks and other financial intermediaries that want to extend geographic collection points to their customers, while also improving the experience of their customers when making payments at branches;
- Government municipalities that want to bring service payments closer to their citizens; and
- Other electronic payments distributors who QPAGOS wholesale services to.





Value Proposition

B2C Electronic Payment Solutions

- Intuitive and user-friendly touch screens in Qpagos self-service kiosks
- Direct interaction with customers conveniently targeted by geography or other variables
- Promotions on a real-time basis through banners in transaction screen, advertisement on 2nd screen and through mobile apps
- Ability to generate leads, enroll or sell contracts through kiosks

B2B Core Competencies

- QPAGOS provides tailored payment solutions that can be adapted to different customer needs and delivered through multiple devices
- Our redundant payments gateway platform is state-of-the-art and housed in a leading data center
- Our turn around in developing denovo solutions is among the fastest in the market thanks to our streamlined development processes

Improved Economics for Accepting Payments

- Reduce cost of accepting payments from cash centric customers
- Extend geographic coverage and penetration to wherever there is mobile connectivity
- Stimulate sales and ticket size through real-time promotions in interactive screen





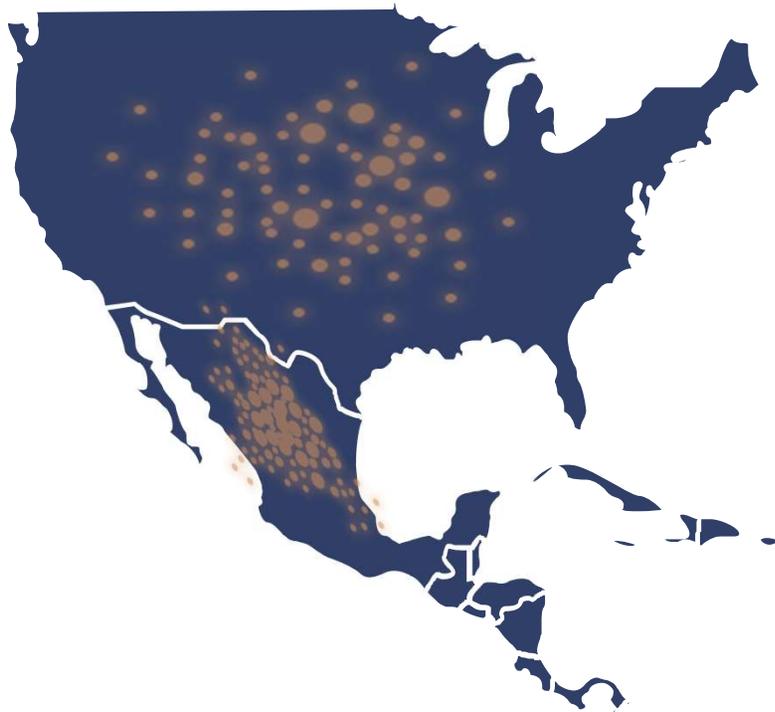
Our Business

Current Footprint



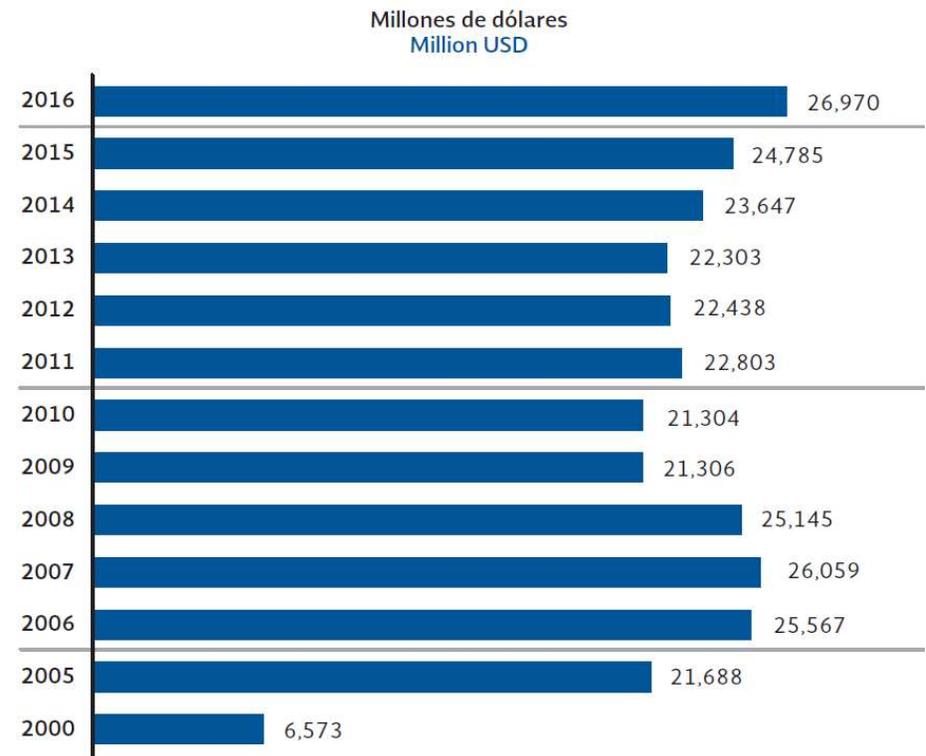


Our Business Future Expansion



According to Bank of Mexico Family
Remittances hit a record \$28.8 billion in 2017

Having already integrated over 140+ service providers in our platform accessible through over 700 kiosks nationwide, QPAGOS considers the U.S. to Mexico over \$28 Bill Remittance flows a natural expansion opportunity



Source: Consejo Nacional de Población, Fundación BBVA Bancomer y BBVA Research (2017)



Over 140 Payment Services

QPAGOS' revenue derives from fees and commissions on cash2digital payments to over 140 mainstream service providers: mobile networks, government agencies, consumer services and mortgage providers. Cooperating service providers include: Movistar, Dish, Sky, Telcel, Nextel, AT&T, Virgin, Gas Natural, CFE, Infonavit, Sky, Facebook, Maxcom, Izzi, Telmex, Pronosticos and others.





The Market

QPAGOS operates in and targets consumer segments that are largely cash-based and lack convenient alternatives for consumers to pay for goods and services in physical, online, and mobile environments.

Mexico remains a cash-dominated society for retail consumer payments, with approximately 80% of the value of payments exchanged in cash, while the penetration of electronic payment services, such as credit and debit cards and point of sale terminals, significantly lags behind more developed economies.



Market Analysis

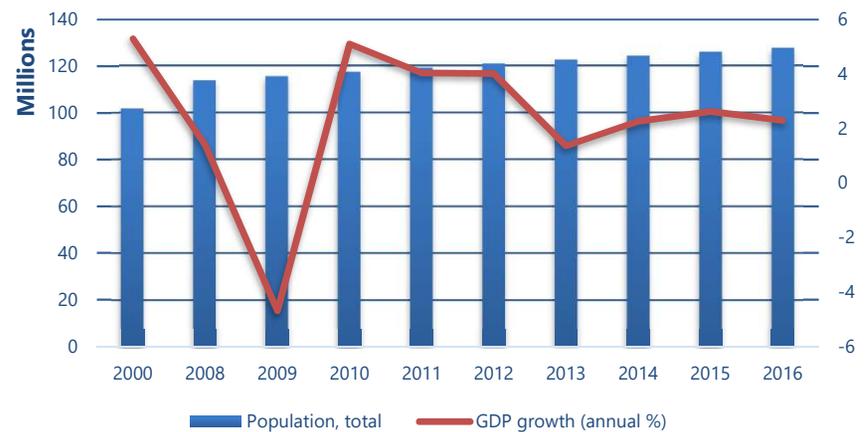
Macroeconomics

Mexico is the 15th largest world economy and 2nd largest economy in Latin America, after Brazil.

Mexico's population has reached nearly 130 million and has a GDP exceeding \$1 trillion. At over \$18,500 per capita; it is among the highest in the Latin America region. (World Bank)

Mexico's future economic growth is forecasted at over 2% for the next few years. (World Bank)

Population vs. GDP Growth



CPI vs Disposable Income Growth



Mexico has a robust middle class with among the highest growth in Latin America. In fact, 17% of its population joined the middle class between 2000 and 2010 (World Bank Report: "Economic Mobility and the Rise of the Latin American Middle Class")

According to latest data, disposable income in the average Mexican household grew more than 3.5%. (World Bank)



Market Analysis

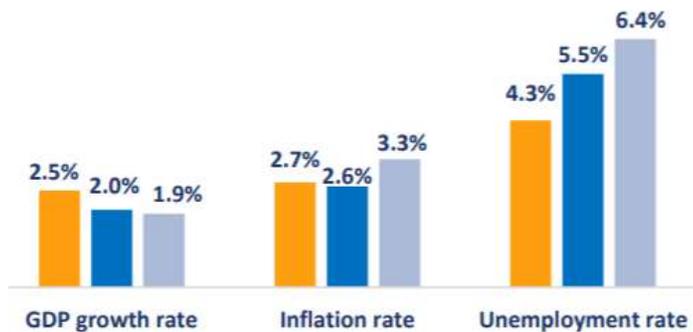
Macroeconomics

Mexico is the United States' second-largest export market and third-largest source of imports. In 2016, two-way trade in goods and services exceeded \$550 billion.

90% of Mexico trade is through free trade agreements with 46 countries. Mexico is part of the Trans-Pacific Partnership and formed the Pacific Alliance with Peru, Colombia and Chile.

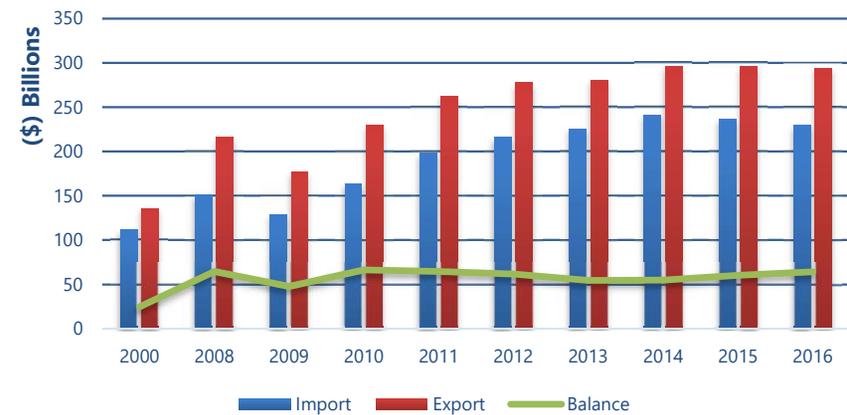
MEXICO VS REGIONAL AND GLOBAL AVERAGES

■ Mexico ■ North America ■ Global



Source: Ecommerce Foundation, Eurostat, IMF, Tradingeconomics and Worldbank, 2016

Trade with US



The Mexican unemployment rate decreased to 4.3% in 2015 from 4.8% in 2014, well below market expectations.

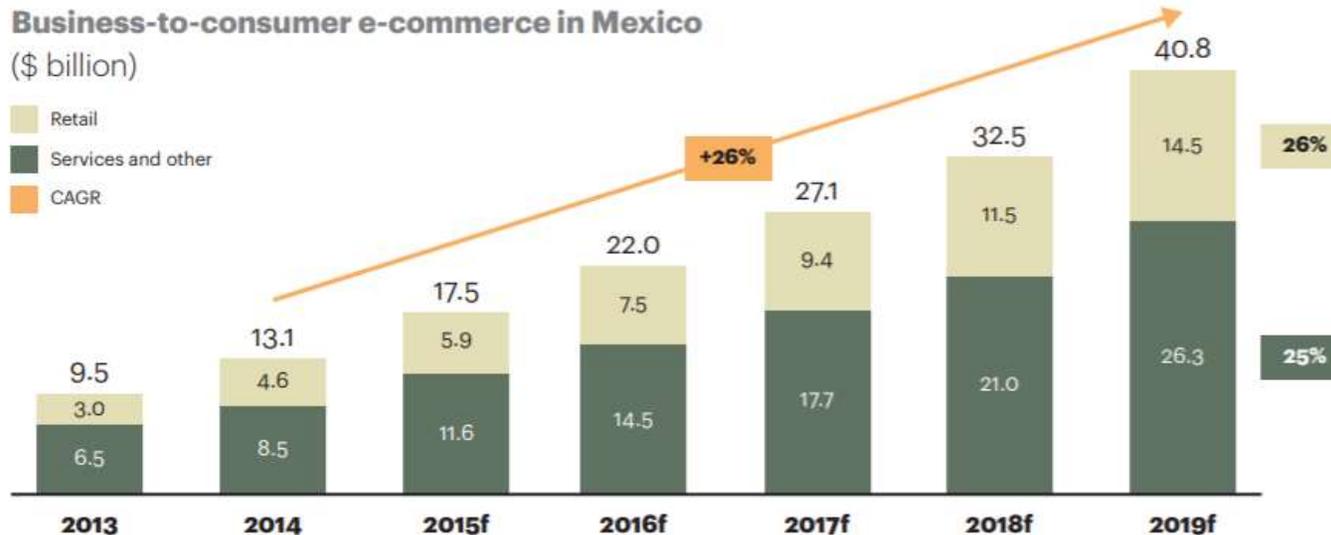
GDP rate in 2016 was a healthy 2.5% and inflation 2.7%



Market Analysis

E-commerce

The advent of e-commerce is on the rise in Latin America as well as Mexico. The number of digital buyers in Mexico is projected to grow from 7.19 million in 2016 to around 14.88 million in 2021. (Statista) According to a recent AT Kearny study, the revenue generated in Mexico by e-commerce is expected to reach USD \$40.8 billion by 2019.



Sources: eMarketer; A.T. Kearney analysis



Market Analysis Telecommunications

Mexico has over 107 million mobile subscribers, making it the second largest mobile subscription base in the Latin American region. 89% of the subscribers are under prepaid plans.

Mobile market is estimated to be worth USD \$12 billion overall (PwC Telecom), and since over 85% of subscribers are under prepaid plans, top ups are primarily done at retail locations such as supermarkets and convenience stores.





Target Market

A Large Unexploited Business

Mexico remains a cash-dominated society; approximately 65% of Mexicans are unbanked, and 80% of the retail payments are exchanged in cash, aggregating approximately 50% of total consumer spending.

The penetration of electronic payment services, such as credit and debit cards and point of sale terminals, significantly lags behind most developed economies. Only 2% of the USD\$203 billion retail sales is from online shopping.

QPAGOS targets a vastly untapped market with over 107 million mobile subscribers in Mexico, 85% of which are under prepaid plans. Mobile top-up alone was a \$12 billion business in 2014, as reported by PwC Telecom in Mexico 2015, America Móvil 4Q'15.

UNBANKED POPULATION



Sources: eMarketer data, 2014-2016; World Bank Global Index Database, 2014



Total Addressable Mexican Kiosk Market

Addressable Locations	
Retail	49,000
Convenience Stores, Supermarkets, Pharmacies	
Financial	80,000
Banks, Micro-lenders, Bank Correspondents, ATMs	
Mom & Pop	85,000
10% of the 850,000 family owned "bodegas"	
TOTAL	214,000

Addressable Payments per Month	
Mobile	180 million
Average 2 reloads of 87 million	
Subscriptions	18 million
50% of all cable, internet, and fixed phone subscribers pay in cash	
Utilities	62 million
Mexico's INEGI estimates over 31 million households with water and electricity	
Financial	60 million
Over 15 million consumer loans amortized weekly	
TOTAL	320 million

Addressable Consumers	
Total Population	120 million
60 million adults	
Unbanked	36 million
60% of adults unbanked	
Mexico City	29 million
Mexico City Metropolis Area is among the world's largest	
Municipalities	63 million
200 cities with over 50,000 population	
Mexico City Metro	6 million
6 million passengers by Mexico City Metro and MexiBus per day	

Sources: Asociación Nacional De Tiendas De Autoservicio Y Departamentales (ANTAD), World Bank, Sistema de Transporte Colectivo (STC), INEGI, and company estimates



Financials

As QPAGOS continues to position itself as a technology innovator in Mexico's growing electronic payments sector, the Company's 2017 annual revenue grew 46% year over year.

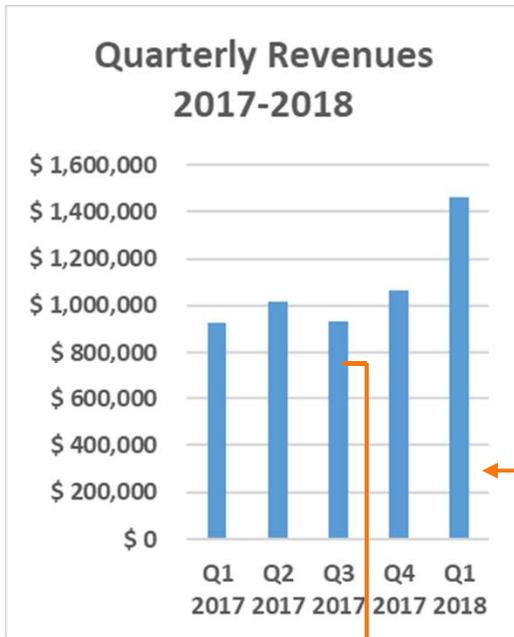
As for quarter over quarter revenue growth, the Company also delivered favorable results in 2018, growing Q1 of 2018 over Q1 2017 by 58% to \$1,464,789.

QPAGOS' fundamentals remain strong with solid inroads into the banking, transportation, retail and government sectors.



Financials

Revenues US\$ '000



Note: Mexico's Sept 19th earthquake had a significant adverse effect on retail sales and economic activity in general. In QPAGOS case it affected revenues as mayor mobile operators gave out free airtime for several days.

31% Compounded Quarter Over Quarter Growth





Our Team

QPAGOS' management team has vast experiences and knowledge in the Hispanic market, financial services, IT, telecom, and payment industries.

Their broad international background and resources give QPAGOS a solid foundation for business expansion and growth across multiple markets.



Our Board of Directors

Gaston Pereira, CEO

Vast experience and knowledge in Latin America and U.S. banking, telecom and payment industries;

- Citibank
- Bell Atlantic
- Tellabs

Professional Background

- President – Latin Card Strategies
- Chief Sales & Marketing Officer – SIGUE
- VP Latin America, Tellabs and Sycamore
- CEO – IUSATEL Chile, MARCATEL, Mexico
- VP & WCG Country Manager – CITIBANK

Andrey Novikov, COO

Prior QIWI (A publicly-traded Russian payment service provider) Vice President, International Business Development.

Experiences in leading international start-ups under QIWI;



James Fuller, Independent Director

Prior Board of Directors of the Securities Investor Protection Corporation (SIPC)

Prior Chairman of the Board of Pacific Research Institute

Prior Senior Vice President of the New York Stock Exchange (NYSE)

Ex President of:

- Bull & Bear Group
- Morgan Fuller Capital Group



THANKS