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QPAGOS Launching Mexico's 1st Fintech With Novel Crowdvouching Solution

Mexico City, Mexico, Dec. 17, 2018 (GLOBE NEWSWIRE) -- via NEWMEDIAWIRE -- QPAGOS Corp. ([OTCQB:QPAG](#)), a U.S.-based provider of digital payment services for cash-based and unbanked consumers in Mexico, today announced the incorporation of SURETLY México SA de CV ("Suretly Mexico"), the country's 1st Fintech company with a novel "crowd vouching" mobile solution.

Crowd vouching is the practice of financially securing a loan repayment by vouching monetary contributions from a large number of people. Unlike P2P lending, Suretly Mexico users (vouchers) will not lend money directly to the borrowers but instead guarantee to repay the loan to the lender in case of default. Users will be able to browse guarantee requests in a mobile app and choose which one to vouch for. Suretly Mexico will initially concentrate in 30-day micro loans of \$200 USD or less and each user's guarantee will be capped at maximum 10% of the loan.

According to the analysis by Mexico's Buró de Crédito (Credit Bureau), the population in Mexico has an average credit score of 560 out of a maximum score of 850. This explains the problems faced by consumers, entrepreneurs and owners of small business enterprises to get credit as about 30% of the applications received are denied due to an unsatisfactory credit history by financial institutions, and up to 45% by traditional banking.

Crowdvouching, known as "Garantía Grupal" locally, is intended to close that gap and can contribute towards the Government of Mexico's (GOM) Financial Inclusion initiatives.

According to GOM's National Council for Financial Inclusion (CONAIF), public access and financial infrastructure are pillars of financial inclusion, and Suretly Mexico has the ability to extend and facilitate access to micro loans to multiple individuals.

Suretly Mexico is a joint venture between Suretly, Inc. ("Suretly") and Qpagos's Mexican subsidiary Qpagos SAPI de CV, which owns 49.9% of Suretly Mexico and has operating responsibility. Suretly Mexico is applying to be under the supervision of Mexico's Comisión Nacional de Bancos y Valores (CNBV) pursuant to the March 11, 2018 enacted Financial

Technology Law and expects to be accepted into CNBV's "sandbox" as a provider of a "novel model" of financial services.

"Since meeting with Suretly in early 2018, we have been very impressed with their business model and technology, particularly their user-friendly mobile app that in our view resonates very well with mobile users in Mexico who over index in their use of social media as depicted by Statsita's estimate of over 50 million facebook® users for 2018," stated Qpagos CEO Gastón Pereira. "Our initial meetings with prospective financial institutions, typically SOFOMs (Sociedad Financiera de Objeto Múltiple), have been very positive, and several are anxious to deploy the service as soon as available, most likely during Q1 2019. Additionally, Qpagos kiosks are a natural ally of Suretly Mexico's future app users as they will be able to top up their Suretly accounts through the more than 700 kiosks serviced by Qpagos in the country," added Mr. Pereira.

The over 1,700 SOFOMs registered under the CNBV(1) are Suretly Mexico's primary addressable market, a sector Qpagos knows well as it already has deployed more than 100 Qpagos kiosks to SOFOMs. According to a Federal Reserve Bank of Dallas 4th Quarter 2017 report, "As Mexico's financial system continues to develop, and its commercial banks cater to more traditional established markets, regulators view SOFOMs as a means of addressing basic credit needs while providing an important source of liquidity to chronically underserved markets."

(1) CNBV: <https://www.cnbv.gob.mx/Paginas/BusquedaEntidades.aspx>

ABOUT QPAGOS

U.S based QPAGOS delivers state-of-the-art digital payment services to consumers and service providers in Mexico where 60% of the adult population does not have a bank account and where 80% of personal payments are made in cash. It operates a network of self service kiosks and applications that provide more convenient payment alternatives for consumers and more efficient billing for service providers. www.qpagos.com

SAFE HARBOR STATEMENT

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statement of historical fact contained in this press release are forward-looking statements. In some case, forward-looking statements can be identified by terminology such as "anticipate," "believe," "can," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," or "will" or the or the negative of these terms or other comparable terminology and include statements regarding the expected contribution of Mr. Piña and the growth of the electronic payment sector. These forward-looking statements are based on management's expectations and assumptions as of the date of the press release and are subject to a number of risks and uncertainties, many of which are difficult to predict that could cause actual results to differ materially from current expectations and assumptions from those set forth or implied by any forward-looking statements. Important factors that could cause actual results to differ materially from current expectation include, among others, our ability to extend our market leadership in consumer electronic payments in the region, our ability to continue to grow and execute our business plan, our ability to

generate revenue streams from user fees, service provider fees, franchisee fees, rental/management fees and advertising fees and the other risks outlined under “Risk Factors” in QPAGOS’s filings with the SEC. The information in this release is provided only as of the date of this release, and we undertake no obligation to update any forward-looking statements contained in this release on account of new information, future events, or otherwise, except as required by law.

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