



14-February 2019

Megasoft Limited Announces Third Quarter (Oct-Dec 2018) results

Financial highlights (Consolidated)

- Revenues for the quarter at Rs. 14.79 Crores
 - Growth of 4.4% Quarter on Quarter
- Revenues for the first nine months at Rs. 43.06 Crores (a drop of 14% over last year)
- Net Profit for 9 Months at Rs. 0.29 Crores (against a loss of Rs 1.03 Crores last year)

Key Operational Highlights

- Megasoft returns to profitability at the end of 9 months on year on year basis.
- Company revenues declined due to large drop in revenues from Asia and Middle east
- South America remains the biggest growth region for the Company
- During the quarter, the Company re-organized itself on SBU basis (Strategic Business Units) resulting in significant cost savings as well focused market & business vertical specific approach
- Sales Pipeline remains strong with several new customers engaged in various stages of Deal Closures.
- Launch of its IOT business this quarter (starting with the United States) market is expected to add significant revenues in the coming year
- Rental revenues from Phase 1 of its property in Nanakramguda (Hyderabad) has started (from January 2019) which will help the company with better cash flows and loan reductions.
- Subdued Capital spending remains a key concerns in its main (mobile telecom) vertical.

Hyderabad, 14 February 2019: - Megasoft Limited (BSE CODE: 532408 / NSE CODE: MEGASOFT), a transnational Intellectual Property-driven, Mobile Telecom products and Solutions company, has reported Rs 14.79 crore revenues for the financial quarter ended 31st December 2018. The last quarter saw an increase in revenue over the previous quarter, with two new deals getting closed. Also thanks to reorganizing its operations into SBUs, a "cash and caution" policy as well growth in South America, the Company managed to stay operationally cash & remain profit positive during the financial year. While the company continued to face decline in revenue year on year, Megasoft is confident of accelerated

growth in the medium term, as (i) MVNO and mobile payments market is showing an upward growth trend globally and (ii) new offerings have been launched in the fast growing IOT segment.

GV Kumar, Managing Director & CEO, Megasoft Limited said “While this transition from being a licensed Billing & Mobile Infrastructure company to one that caters to total infrastructure Solutions, mobile payments & Mobile enabled IOT solutions segments is resulting in short term revenue declines, in the medium and long term, the company is poised to grow well profitably especially with focused geographic approach, additional new product launches and focus on new business verticals and segments. Additionally, cash flows from Property will act as a cushion for the Company’s operations, adding more financial stability.”

About XIUS

XIUS is a mobile technology specialist focused on real-time transaction processing in Mobile Infrastructure & Services and Mobile Banking & Payments.

XIUS, a division of Megasoft Limited, brings together premium technology and outstanding value-added solutions for customers globally. Over 25 years of telecom expertise is proven by more than 230 deployments and customers that include Tier 1 mobile operators, MVNOs and large enterprises across 5 continents. Its strong belief in innovation reflects in the filing of 120 patents, with 35 awarded to date.

XIUS is adept in meeting its client expectations and their needs. The varied portfolio of MVNOs to which it has provided solutions and offers services comprise of rural-inclusive, digital, cable, banking, ethnic, M2M, youth, roaming, advertisement-based, retail and loyalty.

XIUS mobile infrastructure solutions process and manage in excess of 350 million calls / data sessions a day and the mobile payments solutions manage over \$US 1 billion worth of payment transactions monthly.

To know more, please visit www.xius.com.

About Megasoft (BSE: 532408 / NSE: MEGASOFT)

Established in 1994, Megasoft is a transnational technology company, focused on telecom. XIUS, its US based telecom division of Megasoft is a leader in delivering innovative revenue-generating solutions to mobile operators worldwide.

The company has strong product engineering, software and product development capabilities and has offices in U.S, Mexico, and Malaysia and in Hyderabad and Chennai in India. Additional information about Megasoft is available at www.megasoft.com.

For more information please contact:-

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