For Immediate Release

Billing Services Group Limited
("BSG" or the "Company")

Unaudited interim results for the six months ended June 30, 2018

(September 20, 2018) San Antonio, Texas, USA – BSG, a leading provider of telecommunications clearing and financial settlement products, Wi-Fi data solutions and verification services, today announces its unaudited interim results for the six months ended June 30, 2018.

Financial Highlights
(*All amounts in US$)*

	Six Months Ended June 30 2018		Six Months Ended June 30 2017	
Revenue	$	8.4 million	$	11.0 million
Gross margin		58.3%		58.2%
Cash operating expenses	$	4.5 million	$	5.6 million
EBITDA (1)	$	0.3 million	$	0.8 million
Net (loss) income	$	(0.6) million	$	4.4 million
Net (loss) income per basic and diluted share	$	(0.00) per share	$	0.02 per share
Cash balance at end of period	$	9.0 million	$	16.0 million

(1) EBITDA is computed as earnings before interest, income taxes, depreciation, amortization and other non-cash and nonrecurring income or expense items. EBITDA is not a recognized measure under generally accepted accounting principles (GAAP).

- Generated $0.3 million of EBITDA (2017: $0.8 million)
- Realized a 58.3% gross margin (2017: 58.2%)
- Reduced cash operating expenses by $1.1 million ($4.5 million in 2018 compared with $5.6 million in 2017)

BSG Wireless and Third-Party Verification ("TPV") Operational Highlights

- Renewed our hub and WLDS contract with AT&T with new terms that increase monthly revenue potential
- Renegotiated our hub contract with Comcast to increase revenue opportunity

- Signed a new hub contract with Spectrum
- Reduced expenses at BSG Wireless by $1.6 million on an annualized basis
- Renewed our contract with a national cable company, including additional TPV volume in new markets
- Launched new TPV markets with Constellation Energy
- Increased both TPV volumes and revenue with Direct Energy

Current Trading

- In 2016, the Company initiated a strategic review to assist the Board in determining the future composition of the group, including its capital structure and business lines. There have been three material actions taken as a result of the review:
    - Completed a $5.0 million cash tender offer in December 2017
    - Engaged two investment banks and initiated discussions to sell the Wi-Fi data solutions business (the engagements and discussions have now been terminated)
    - Completed a $1.25 million ($0.00758639 per share) cash dividend in July 2018
- Trading for the six months ended June 30, 2018 was in line with the Board's expectations and consistent with the recent trading conditions experienced by the Company.
- The Company expects that revenues in the second half of 2018 will compare unfavorably with the second half of 2017 due to Verizon's previously announced discontinuation of third-party billing in December 2017, together with the secular decline in billable long distance and operator service calls initiated on wireline phones.
- The Company expects that EBITDA in the second half of 2018 will compare favorably with EBITDA in the first half of 2018, largely as the result of a full realization of expense reductions taken over the course of the first half of 2018.

Commenting on the results, Norman M. Phipps, Chief Executive Officer, said:

> *"Results in the first half of 2018 demonstrate the resiliency of our business model and our discipline in adjusting expenses to appropriate levels. Our focus will remain on executing strategic actions to provide a further return to shareholders."*

INQUIRIES:

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About BSG:

BSG is located in San Antonio, Texas, USA. The Company's shares are traded on the London Stock Exchange (AIM: BILL). For more information on BSG, visit (www.bsgclearing.com).

CHIEF EXECUTIVE’S STATEMENT

Results in the first half of 2018 demonstrate the resiliency of our business model and our discipline in adjusting expenses to appropriate levels. As expected, revenue decreased 24% compared to the first half of 2017, due in large part to Verizon’s discontinuation of third-party billing at the end of 2017. Nonetheless, the Company generated $0.3 million of EBITDA.

EBITDA in 2018 benefitted from additional transaction volume in our third-party verification and wireless services, combined with aggressive reductions in operating expenses. Largely as a result of non-cash expenses and nonrecurring restructuring expenses, partially offset by other income items, the Company incurred a $0.6 million net loss in the first half of 2018, which is less than $0.004 per share.

Near-Term Outlook

Revenue in our core billing and clearing business will foreseeably continue to decline as wireless displaces wireline communications. We are successfully increasing revenues from third-party verification and wireless services, but the incremental gains have been insufficient to offset fully the declining transaction volumes in the core billing and clearing business.

We aggressively reduced cash operating expenses during the first half of 2018. A significant portion of the $1.1 million of expense reductions occurred within the BSG Wireless business, bringing its staff size to a level more appropriate with current revenue. During the second half of 2018, the Company will benefit from a full six-month effect of first half cost reductions, which we expect will result in a favorable EBITDA comparison against first half EBITDA.

Strategic Review

In 2016, the Board initiated a strategic review to determine the future composition of the group, including capital structure and business lines. The objective of the review was to maximize shareholder value in light of the factors which are adversely affecting our core business. Two significant actions have been taken with respect to capital structure. The first was a $5.0 million cash tender offer completed in December 2017; the second was a $1.25 million cash dividend ($0.00758639 per share) paid in July 2018.

We previously reported that we had conducted a comprehensive sale process with respect to BSG Wireless, the Company’s Wi-Fi data solutions business. The offers received did not represent fair value to shareholders, and the sale process has now been terminated. As a result, our primary focus currently centers on creating a liquidity event that will enable shareholders to realize a further return on their investment.

Liquidity

BSG has a strong balance sheet, which included $9.0 million of cash at June 30, 2018. Additionally, the Company's financial position at June 30, 2018 included:

- $6.3 million of working capital
- $5.6 million excess of current assets over total liabilities
- $9.7 million of tangible net worth

Earlier this month, the Company paid the final $0.5 million instalment of its settlement obligation to the Federal Trade Commission.

Our healthy liquidity profile gives us flexibility in addressing strategic issues, particularly capital management.

Sincerely,

Norman M. Phipps
Chief Executive Officer

FINANCIAL REVIEW

Financial Review of the Six Months Ended June 30, 2018

The Company's unaudited results for the six months ended June 30, 2018 are compared to the corresponding period of 2017 in the accompanying financial statements. BSG's consolidated financial statements are prepared in conformity with United States GAAP for interim financial information.

Certain Terms

Revenues. Revenues are derived primarily from fees charged to wireline and wireless service providers for data clearing, financial settlement, information management, payment and financial risk management, third-party verification and customer service functions. During 2016, the Company introduced a direct billing service under which end-user consumers are invoiced directly by the Company, rather than through local exchange carriers (LECs) as third-party billers. Revenue recognized under third-party billing includes the Company's service fees plus amounts necessary to compensate the LECs for their third-party billing services. Revenue for direct billing does not include any components other than the Company's service fees.

Cost of Services and Gross Profit. Cost of services arises primarily in the Company's wireline billing and clearing business. Cost of services in the clearinghouse business includes billing and collection fees charged by LECs and other service providers for payment processing. Such fees are assessed for each record submitted and for each bill rendered to end-user consumers. BSG charges its customers a negotiated fee for billing and collection services. Accordingly, gross profit is generally dependent upon transaction volume, processing fees charged per transaction and any differential between the fees charged to customers by BSG and the related fees charged to BSG by LECs and other service providers.

Operating Expenses. Operating expenses include all selling, marketing, customer service, facilities and administrative costs (including payroll and related expenses) incurred in support of operations, substantially all of which are settled through the payment of cash.

Depreciation and Amortization. Depreciation expense applies to software, furniture and fixtures, telecommunications and computer equipment. Amortization expense relates to definite-lived intangible assets that are amortized in accordance with Accounting Standards Codification ("ASC") 350, *Intangibles – Goodwill and Other*. These assets consist of contracts with customers and LECs. Assets are depreciated or amortized, as applicable, over their respective useful lives.

Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA"). Earnings before interest, income taxes, depreciation and amortization, a non-GAAP metric, is a measurement of profitability often used by investors and lenders. The computation of EBITDA excludes other non-cash and nonrecurring items as additions or deductions to earnings.

Third-Party Payables. Third-party payables include amounts owed to customers in the ordinary course of clearinghouse activities and additional amounts maintained as reserves for retrospective charges from LECs and other parties. In its clearinghouse business, the Company aggregates call records received from its customers. It then submits the call records either to (i) LECs for billing to end-user consumers; or (ii) end-user consumers. The Company collects funds from LECs and directly billed end-user consumers each day.

Under normal circumstances, funds collected from LECs are distributed to the Company's customers approximately ten days after receipt, under weekly settlement protocols. The Company withholds a portion of the funds received from LECs to pay (i) the Company's processing fees, (ii) billing and collection fees of LECs, (iii) sales and other taxes paid by the Company and (iv) an amount deemed necessary to serve as a reserve against retrospective charges from LECs.

Funds collected from directly billed end-user consumers are credited to the Company's customers when received. The Company withholds a portion of the funds received from end-user consumers to pay (i) the Company's processing fees, (ii) sales and other taxes paid by the Company and (iii) an amount deemed necessary to serve as a reserve against retrospective charges from payment processors or other parties.

When LECs, payment processors and other parties make payments to the Company, they withhold funds to cover a variety of expenses and potential retrospective charges. As noted above, the Company similarly withhold funds from its customers to cover expenses and retrospective charges. The third-party payables balance is computed as the excess of (i) funds owed to the Company's customers, inclusive of reserves for retrospective charges, over the sum of (ii) amounts owed from the Company's customers and (iii) reserves withheld for retrospective charges by LECs, payment processors and other parties.

Comparison of Results for the Six Months Ended June 30, 2018 to the Six Months ended June 30, 2017

Total Revenues. Total revenues of $8.4 million during the first half of 2018 were $2.6 million, or 24%, lower than the $11.0 million of revenues recorded during the first half of 2017. The $2.6 million decrease, primarily due to Verizon's exit of third-party billing in December 2017, reflects lower transaction volumes across all third-party billing, clearing, settlement and customer service activities provided for wireline service, partially offset by higher managed fees from third-party verification and BSG Wireless' service offerings.

Cost of Services and Gross Profit. Cost of services in the first half of 2018 was $3.5 million, compared to $4.6 million during the first half of 2017. The $1.1 million, or 24%, decrease in cost of services largely reflects lower fees for billing and collection services related to the lower level of transaction volumes in third-party billing services. The Company generated $4.9 million of gross profit in the first half of 2018 compared to $6.4 million in the same period of 2017. The gross margin of 58.3% in the first half of 2018 was 0.1 percentage points higher than the 58.2% margin achieved in the first half of 2017. The improved gross margin in 2018 resulted from a larger percentage of revenues arising from the higher-margin services of the Company's wireless offerings.

Operating Expenses. Operating expenses were $4.5 million in the first half of 2018, compared to $5.6 million in the first half of 2017. The $1.1 million, or 20%, decrease is largely attributable to decreases in compensation expense arising from headcount reductions both in the US and UK, and a decrease in the size of the board of directors.

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA). The Company generated $0.3 million of EBITDA during the first half of 2018, compared to $0.8 million during the first half of 2017. A reconciliation of net income and EBITDA in each period is shown below:

	Six Months Ended June 30	
$ millions	**2018**	**2017**
Net (loss) income	$ (0.6)	$ 4.4
Depreciation expense	0.6	0.7
Amortization of intangibles	0.3	0.3
Foreign currency transactions	-	0.1
Nonrecurring restructuring expense	0.4	-
Income tax expense	0.2	1.9
Other income, net	(0.6)	(6.6)
EBITDA	**$ 0.3**	**$ 0.8**

Depreciation and Amortization Expense. Depreciation and amortization expenses during the first half of 2018 totalled $0.9 million, compared to $1.0 million in 2017. The $0.1 million decline largely reflects cessation of depreciation charges on components of capitalized software development costs for which accumulated depreciation reached the assets' respective gross carrying values.

Nonrecurring Restructuring Expense. In the first half of 2018, the Company recognized $0.4 million of nonrecurring restructuring expense associated with severance and similar payment obligations related to headcount reduction and other changes in the BSG Wireless business. Nonrecurring restructuring expense were not included as an expense for purposes of computing EBITDA.

Other Income, Net. The Company realized $0.6 million of other income, net during the first half of 2018 compared to $6.6 million during the first half of 2017. Other income, net in the first half of 2018 arose largely from adjustments to reserves related to class action litigation and recoveries from customers. Other income, net in the first half of 2017 was largely attributable to $6.1 million of adjustments to indemnification reserves related to class action litigation.

Other income and expense arises from miscellaneous items typically of a non-recurring nature. Accordingly, other income and expense items were not included as earnings or expense for purposes of computing EBITDA.

Change in Cash. BSG's cash balance at June 30, 2018 was $9.0 million, compared to $11.5 million at December 31, 2017. The $2.5 million decrease during the first six months of 2018 is attributable to $2.6 million of cash used in operating activities and $0.2 million of exchange rate differences, partially offset by $0.4 million of transfers from restricted cash to pay indemnification obligations.

Change in Restricted Cash. In the ordinary course of business, LECs withhold funds from their payments to the Company in order to create a reserve securing potential future obligations of the Company to the LEC. Through December 31, 2016, pursuant to a 2012 agreement with one LEC, the LEC released a net $14.3 million of cash reserves. The cash was transferred into a restricted Company bank account to be used for funding the Company's indemnification obligation under pending class action litigation against the LEC. Through December 31, 2017, a net amount of $13.5 million was transferred from the restricted cash account to satisfy indemnification obligations, reducing restricted cash at December 31, 2017 to $0.8 million. During the first six months of 2018, $0.4 million was released from the restricted cash account to satisfy indemnification obligations, reducing restricted cash to $0.4 million at June 30, 2018.

Change in Third-Party Payables. Third-party payables at June 30, 2018, inclusive of long-term liabilities, were $5.3 million, compared to $6.7 million at December 31, 2017. The $1.4 million decrease in third-party payables resulted largely from ordinary course settlement activities, which in turn were affected by the reduction of transaction volume in third-party billing.

Change in Accrued Liabilities. Accrued liabilities at June 30, 2018 were $1.2 million compared to $2.8 million at December 31, 2017. The $1.6 million decrease in accrued liabilities resulted primarily from $1.0 million of settlement payments to the Federal Trade Commission, a $0.4 million reduction in accrued legal fees and an additional $0.2 million of net reductions arising from ordinary course additions, payments and adjustments.

Capital Expenditures. During the first half of 2018, the Company invested $0.3 million in capital expenditures, primarily for capitalized software development costs and computer equipment. During the first half of 2017, capital expenditures were $0.6 million.

Cash Flows for the Six Months Ended June 30, 2018

Cash flow from operating activities. Net cash used in operating activities was $2.6 million during the first half of 2018. Net cash used was principally attributable to a $1.6 million reduction in accrued liabilities, a $1.4 million reduction in third-party payables and a $0.6 million net loss, partially offset by $0.9 million of depreciation and amortization expense.

Cash flow from investing activities. Net cash used in investing activities was $0.1 million, primarily reflecting $0.3 million of capital expenditures, partially offset by $0.2 million of net receipts on purchased receivables.

Cash flow from financing activities. Net cash provided from financing activities was $0.4 million, largely attributable to transfers from restricted cash.

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A copy of this statement is available on the Company’s website (*www.bsgclearing.com*) and copies are available from BSG’s Nominated Advisor at the address below:

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United Kingdom

Forward Looking Statements

This report contains certain "forward-looking" statements and information relating to the plans, objectives, expectations and intentions of the Company that are based on the beliefs of the Company's management as well as assumptions made by and information currently available to the Company's management. When used in this report, the words "anticipate," "believe," "estimate," "expect," "intend," "projects," "could," "should," "will" and words or phrases of similar meaning are intended to identify forward-looking statements. Forward-looking statements reflect the Company's current views with respect to future events and financial performance. Such statements, including certain information set forth herein under "Financial Review" that is not historical fact or statement of current condition, reflect management's assessment of the current risks, uncertainties and assumptions related to certain factors including, without limitation, the competitive environment, general economic conditions, customer relations, relationships with local exchange carriers and other vendors, availability of credit, borrowing terms, interest rates, foreign exchange rates, litigation, governmental regulation and supervision, capital expenditures, product development, product acceptance, technological change and disruption, changes in industry practices, one-time events and other factors described herein. Based upon changing conditions or circumstances arising from any one or more of these risks or uncertainties, or should any underlying assumptions prove incorrect, actual results may vary materially from historical or anticipated results as described herein.

Readers are cautioned not to place undue reliance on forward-looking statements. The Company does not intend to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.

Billing Services Group Limited

Consolidated Balance Sheets
(In thousands, except shares)

	June 30, 2018	December 31, 2017	June 30, 2017
	(Unaudited)	(Derived from Audited Financial Statements)	(Unaudited)
Assets			
Current assets:			
Cash and cash equivalents	$ 9,022	$ 11,528	$ 16,003
Restricted cash	442	831	937
Accounts receivable	3,521	3,616	4,155
Purchased receivables	233	460	736
Prepaid expenses and other current assets	436	383	627
Total current assets	13,654	16,818	22,458
Property, equipment and software	49,979	50,008	49,255
Less accumulated depreciation and amortization	46,204	45,925	45,218
Net property, equipment and software	3,775	4,083	4,037
Intangible assets, net of accumulated amortization of $76,201, $75,915 and $75,540 at June 30, 2018, December 31, 2017 and June 30, 2017, respectively	5,614	5,962	6,206
Deferred taxes	247	391	-
Goodwill	9,964	9,964	25,275
Other assets	65	65	65
Total assets	$ 33,319	$ 37,283	$ 58,041

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Billing Services Group Limited

Consolidated Balance Sheets (continued)
(In thousands, except shares)

	June 30, 2018 (Unaudited)	December 31, 2017 (Derived from Audited Financial Statements)	June 30, 2017 (Unaudited)
Liabilities and shareholders' equity			
Current liabilities:			
Trade accounts payable	$ 1,358	$ 1,423	$ 1,726
Third-party payables	4,724	6,546	5,744
Accrued liabilities	1,183	2,848	4,577
Income tax payable	-	-	731
Term loan note payable	118	105	150
Total current liabilities	7,383	10,922	12,928
Term note payable – noncurrent	118	147	-
Deferred taxes	-	-	3,223
Other liabilities	577	194	93
Total liabilities	8,078	11,263	16,244
Commitments and contingencies			
Shareholders' equity:			
Common stock, $0.59446 par value; 350,000,000 shares authorized; 164,768,689 shares issued and outstanding at June 30, 2018 and December 31, 2017; 282,415,748 shares issued and outstanding at June 30, 2017	97,948	97,948	167,885
Additional paid-in capital (deficit)	(110,600)	(110,611)	(175,561)
Retained earnings	38,518	39,104	50,134
Accumulated other comprehensive loss	(625)	(421)	(661)
Total shareholders' equity	25,241	26,020	41,797
Total liabilities and shareholders' equity	$ 33,319	$ 37,283	$ 58,041

See accompanying notes.

Billing Services Group Limited

Consolidated Statements of Operations
(In thousands, except per share amounts)

	Six Months Ended June 30, 2018 (Unaudited)	Six Months Ended June 30, 2017 (Unaudited)
Operating revenues	$ 8,360	$ 10,987
Cost of services	3,490	4,597
Gross profit	4,870	6,390
Selling, general, and administrative expenses	4,535	5,554
EBITDA	335	836
Depreciation and amortization expense	958	973
Nonrecurring restructuring expense	428	-
Stock-based compensation expense	11	15
Operating loss	(1,062)	(152)
Other income (expense):		
Interest income, net	4	16
Foreign currency transactions	15	(89)
Other income, net	615	6,440
Total other income, net	634	6,367
(Loss) income from operations before income taxes	(428)	6,215
Income tax expense	(158)	(1,860)
Net (loss) income	(586)	4,355
Other comprehensive (loss) income	(204)	312
Comprehensive (loss) income	$ (790)	$ 4,667
Net (loss) income per basic and diluted share:		
Basic net (loss) income per share	$ (0.00)	$ 0.02
Diluted net (loss) income per share	$ (0.00)	$ 0.02
Weighted average shares outstanding	164,769	282,416

See accompanying notes.

Billing Services Group Limited
Consolidated Statements of Cash Flows
(In thousands)

	Six Months Ended June 30, 2018 (Unaudited)	Six Months Ended June 30, 2017 (Unaudited)
Operating activities		
Net (loss) income	$ (586)	$ 4,355
Adjustments to reconcile net (loss) income to net cash provided by (used in) operating activities:		
Depreciation	650	662
Amortization of intangibles	308	311
Stock-based compensation expense	11	15
Loss on asset disposal	3	-
Deferred taxes	144	1,300
Changes in operating assets and liabilities:		
Decrease in accounts receivable	95	168
Increase in other current assets and other assets	(53)	(272)
Decrease in trade accounts payable	(65)	(480)
Decrease in third-party payables	(1,439)	(4,536)
Decrease in accrued and other liabilities	(1,665)	(1,693)
Increase in income tax payable	-	708
Net cash (used in) provided by operating activities	(2,597)	538
Investing activities		
Purchases of property, equipment and software	(345)	(568)
Net receipts on purchased receivables	227	8
Net cash used in investing activities	(118)	(560)
Financing activities		
Borrowings of long-term debt	37	-
Payments on long-term debt	(53)	(28)
Restricted cash	389	719
Net cash provided by financing activities	373	691
Effect of exchange rate changes on cash	(164)	223
Net (decrease) increase in cash and cash equivalents	(2,506)	892
Cash and cash equivalents at beginning of period	11,528	15,111
Cash and cash equivalents at June 30	$ 9,022	$ 16,003

See accompanying notes.

BILLING SERVICES GROUP LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 1 BASIS OF PRESENTATION

The accompanying unaudited interim consolidated financial statements of Billing Services Group Limited ("BSG" or the "Company") have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual results could vary from the estimates that were used.

NOTE 2 NET INCOME OR LOSS PER COMMON SHARE

Basic and diluted net income or loss per share are computed by dividing net income or loss by the weighted average number of shares of common stock outstanding during the relevant periods.

Diluted net income or loss per share includes the effect of all dilutive options exercisable into common stock, unless the effect of such inclusion would be anti-dilutive.

NOTE 3 COMMITMENTS AND CONTINGENCIES

The Company is involved in various claims, legal actions and regulatory proceedings arising in the ordinary course of business. The Company believes it is unlikely that the outcome of any of the claims or proceedings to which the Company is a party will have a material adverse effect on the Company's financial position. Due to the inherent uncertainty of litigation and regulatory proceedings, however, there can be no assurance that the resolution of any particular claim or proceeding would not have a material adverse effect on the Company's results of operations for the fiscal period in which such resolution occurred.

The Company's subsidiary's federal tax returns for 2015 through 2017 remain subject to examination by the federal tax authority. Most state tax returns for the 2015 through 2017 tax years remain open for examination by the relevant tax authorities.

NOTE 4 SUBSEQUENT EVENTS

In July 2018, the Company paid a $1.25 million ($0.00758639 per share) cash dividend.

In May 2016, the Company announced it had reached a mutually agreeable resolution with the Federal Trade Commission ("FTC") of litigation pending. Under the terms of the agreement, among other commitments, BSG would pay the FTC a total of $5.2 million for consumer redress in ten equal quarterly installments. On September 4, 2018 the Company made its final payment of $520,000 to the FTC.