

RS2 Software p.l.c.

COMPANY ANNOUNCEMENT

Interim Directors' Statement

Quote

In line with our previous announcements, in 2016 the Group has been very active in pursuing its global expansion plans. Early in 2016 the Group incorporated its new subsidiary in the Philippines. With this new office the Group now holds presence in Europe, United States (US), Latin America and Asia Pacific (APAC). Particularly for the US and APAC the Group is establishing its foothold by leasing its own offices in Denver and Manila respectively. Recruitment efforts have been initiated and are currently underway.

During the first half of 2016, the Group's subsidiary RS2 Smart Processing engaged two new clients for its managed services business; a Payment Service Provider (PSP) in Germany, and one of the largest acquirers in Europe. This is again confirming the trust the market is showing towards the strength of the BankWORKS solution and the services offered by the Group.

The Group is pursuing new opportunities with partners in India and Vietnam to offer its managed services and licensing solutions.

The Group managed to achieve an important milestone for its expansion into the United States by securing sponsorship with a bank. Sponsorship by a US bank is essential for the Group to carry out its managed service business in addition to its licence offering.

In April the Group participated in Europe Money2020 in Copenhagen and ETA Transact16 in Las Vegas. These conventions are considered to be among the most important in the industry and presence in such events is valuable in order to create visibility and to interact with customers, current and potential, as well as other market players.

The Group continues to attract significant attention in the market, particularly due to the flexibility and modularity of the BankWORKS platform in comparison with other systems currently in the market that are nowadays regarded as legacy systems. The BankWORKS platform has always been an Omni channel, multi-currency, multi-language and multi-institutional enabler. This is particularly valuable today, allowing each client to customise the system to their own specific needs. This differentiator is particularly true in the US market.

The Group holds a very healthy sales pipeline across the two business lines; licensing and managed services and also across different regions. Building on the success of last year, 2016 is expected to be a year of investment in the foreign offices to support the global expansion, as well in building and maintaining strategic relationships.

Unquote



Dr. Ivan Gatt
Company Secretary

19 May 2016