



PRESS RELEASE

Uniserve Communications Corporation TSX.V: USS

www.uniserve.com | Corporate Relations: 604-395-3908

Uniserve 3rd quarter results for period ending Feb 28th

Quarterly revenues up 36%

Vancouver, BC: April 27th, 2018 – Uniserve Communications Corporation (the Company) one of Canada’s premier providers of technology solutions in voice, data and media services for home and business customers is pleased to announce third quarter 2018 fiscal year results.

Q3 revenues increased by 36% vs Q2 revenues, with 2018 year to date revenues up 33% from same quarter last year. 2018 Q3 EBITDA - (\$105K CAD) vs. Q2- (\$644K CAD).

The Company finished the third quarter with:

- Consolidated Gross Revenues for nine months year-to-date of \$7.189M CAD vs \$5.64M CAD or a 27% increase over same period last year.
- Q3 gross margin increased \$797K (89%) from Q2, with an increase of \$808,974 from the same period in 2017. Gross margins as a percentage of sales equaled 58% in the current quarter vs 42% last quarter and 40% from the same quarter in 2017.
- Consolidated overhead costs were \$1,626K for Q3 of 2018 (2018 Q2 - \$1,364K, 2017 Q3 - \$588K). The increase in costs was associated with increased travel costs, an increase in staff to support increasing revenue and for payroll costs associated with termination of staff after integrating new acquisitions.
- Q3 2018, EBITDA loss of \$105K CAD, vs Q2 2018 loss of \$644K CAD, this loss was primarily due to the increase in salary and operational costs.
-

Key highlights in third fiscal quarter of 2018:

- Q3 saw Uniserve shift from integration of two newly acquired businesses to lead generation and sales.
- New Director of Sales and Channels hired and has started to build out the sales, product management team and account management team to support new combined client class.
- The indirect sales channels progressed well with a consolidation of the previous partners into two groups, the larger and more tech savvy being offered storage and security solutions.
- The company continues to win cryptocurrency opportunities from around the world, with a clear strategy of co-locating these servers (rigs) in third party facilities, keeping the Vancouver data center primarily for Enterprise clients.

- Uniserve's social media and general marketing efforts are now far more quantifiable, helping make lead generation increases directly reflect returns on investment.
- Overall sales pipelines appear buoyant and churn in Residential and Enterprise segments is significantly below industry accepted norms.
- Senior Management is pleased with how smoothly the integration of recent acquisitions has progressed.
- New coax cable connectivity offering is now complete throughout Alberta with significant increases in new clients.
- Smart City practices was launched servicing cities in the Lower Mainland.
- With the significant new Glenbriar Managed Services client increase, the Company has ramped up customer service and tier 1 & 2 support teams, doubling the size of its telesales and field sales team in both BC and Alberta.

Uniserve Communications Corporation

Consolidated statements of income (loss) and comprehensive income (loss)

(Expressed in Canadian dollars)

	Note	Three months ended February 28,		Nine months ended February 28,	
		2018	2017	2018	2017
		\$	\$	\$	\$
Revenue		2,931,004	2,208,138	7,189,251	5,638,938
Cost of revenues		1,239,594	1,325,702	3,726,718	3,186,674
		1,691,410	882,436	3,462,533	2,452,264
Expenses					
Operations and service delivery expenses	15	1,625,772	587,948	4,215,398	1,923,940
Sales and marketing	15	170,718	87,171	495,432	271,500
Amortization of property and equipment	6a	148,151	92,495	410,971	242,643
		1,944,641	767,614	5,121,801	2,438,083
Operating profit/(loss)		(253,231)	114,822	(1,659,268)	14,181
Other expenses (income)					
Finance charges	8,9,10	51,438	67,276	178,153	374,189
Foreign exchange		(39,642)	10,026	(15,444)	18,850
Gain on settlements and reversals of debts	9,10	-	(326,296)	(255,330)	(326,294)
Gain on disposal of property and equipment		-	(2,397)	-	(2,397)
Dividend received		(1,528,189)	-	(1,528,189)	-
Impairment of investment		943,736	-	943,736	-
Impairment of property and equipment		399,497	-	399,497	-
		(173,160)	(251,391)	(277,577)	64,348
Net income (loss) and comprehensive income (loss)		(80,071)	366,213	(1,381,691)	(50,167)
Basic and diluted income /(loss) per share		\$ (0.01)	\$ 0.01	\$ (0.03)	\$ (0.01)
Weighted average number of common shares outstanding - basic and diluted*		41,431,203	44,440,625	41,431,203	44,440,625

* - In case of a loss, the diluted EPS will be anti-dilutive, therefore the basic and diluted EPS will be the same

* The weighted average number of common shares outstanding used in the calculation of loss per common share retroactively reflects the 2.5:1 share consolidation that the Company effect subsequent to year end (Note 17).

See accompanying notes

About Uniserve

Uniserve (TSX- USS.V) is a unified communications company delivering integrated voice, data and media services to over 13,000 customers within the residential, business to business and enterprise IT markets, currently focusing on Western Canada.

The company has been in existence for 30 years and has a client base across three sectors selling directly and through their wholesale channel.

The recent corporate restructuring has resulted in new board members and several management people being replaced.

Uniserve prides itself on delivering world class customer services. They believe when all else is equal you can trust the Company to offer highly competitive pricing and cutting edge technology bundles, all underpinned by an exemplary customer service team based in Canada.

This news release was prepared on behalf of the Board of Directors, which accepts full responsibility for its contents.

Learn more at www.uniserve.com or at www.sedar.com.

Michael C. Scholz

Chairman of the Board

For more information please contact Mr. Mark Stanton at 604-395-3908 or email us at mark.stanton@uniserveteam.com.

Neither TSX Venture Exchange nor its Regulations Services Provider (as the term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. Management has prepared this release and no regulatory authority has approved or disapproved the information contained herein. The statements contained in this news release that are not historical facts are forward looking statements. Such statements are based on management's estimates, assumptions and projections using available information. Uniserve cautions that actual financial results could differ materially from the current expectations due to several factors.