

Telehop Announces Third Quarter Results

TORONTO--(BUSINESS WIRE)--November 28, 2016--Telehop Communications Inc. (“Telehop” or the “Company”), (TSX-V:HOP) today announced its financial performance during the third quarter ending September 30, 2016.

Revenue for Q3 2016 was down 15% to approximately \$3,600,000 with a net loss of (\$66,000) or (\$0.002) loss per common share compared to revenue of approximately \$4,260,000 with a net loss of (\$157,000) or (\$0.005) per common share for Q3 2015. The Company’s gross margin for the third quarter was approximately \$1,526,000 or 42% compared to approximately \$1,481,000 or 35% in the comparative quarter. Gross margins have increased by 7% in 2016 compared to Q3 2015, primarily impacted by the discontinuance of certain wireless products that carried low margins, as well as changes in foreign exchange rates. EBITDA for Q3 was approximately \$116,000 compared to \$109,000 in Q3 2015.

“We are pleased to report that despite the decrease in revenue, we were able to increase our gross profit by eliminating lower margin wireless products. At the same time operating costs decreased to help reduce our net loss. We will continue to focus on developing new products and business relationships to grow our revenues organically”.

The Company also announces the appointment of Kyle Appleby, CPA, CA, as the new CFO of Telehop. Mr. Appleby brings considerable financial experience to the Company and serves as the Chief Financial Officer of a number of other TSX-V, and CSE-listed companies.

FINANCIAL OVERVIEW

Consolidated Highlights	Quarter ended September 30	
	2016	2015
Revenue	\$ 3,600,803	\$ 4,260,231
Gross margin	\$ 1,526,144	\$ 2,778,621
Gross margin %	42%	40%
EBITDA ¹	\$ 115,920	\$ 109,040
Net income (Loss)	\$ (65,947)	\$ (156,984)
Earnings per share - basic	(\$0.002)	(\$0.005)

¹ We define EBITDA as earnings before interest costs, taxes, depreciation and amortization as earnings before interest costs, taxes, depreciation, and amortization. EBITDA is non-GAAP financial measure used in to assist in understanding and comparing operating results. EBITDA is reviewed regularly by management and our Board of Directors in assessing performance and in making decisions regarding the ongoing operations of the business and the ability to generate cash flows. Generally, a non-GAAP financial measure is a numerical measure of a company’s performance, financial position or cash flows that either excludes or includes amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with IFRS. EBITDA is not a measure of financial performance nor does it have a standardized meanings under IFRS. In evaluating these measures, investors should consider that the methodology applied in calculating such measures may differ among companies and analysts. We have reconciled EBITDA to its most comparable measure calculated in accordance with IFRS, being net income (loss) in the tables below.

Below is a reconciliation of “EBITDA” to Net income (loss) for the periods presented:

EBITDA Reconciliation	Quarter ended September 30	
	2016	2015
Net loss	\$ (65,947)	\$ (156,984)
Finance costs, net	\$ 87,710	\$ 96,552
Depreciation & Amortization	\$ 94,158	\$ 169,472
EBITDA ¹	\$ 115,920	\$ 109,040

A complete financial reporting package, including the 2016 Interim Consolidated Financial Statements and Notes to the Financial Statements and MD&A, is available at our corporate website (www.telehop.com), at SEDAR website (www.sedar.com) or via email to investorinquiry@telehop.com or via phone at 416-499-5463.

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained herein regarding the Company and its plans constitute “forward-looking statements” within the meaning of Canadian securities laws. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. The forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any performance or achievement expressed or implied by such forward-looking statements. We direct you to our Company’s Management’s Discussion and Analysis filed for the period ended December 31, 2015.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

About Telehop

Telehop Communications Inc. (TSX-V: HOP) was founded and headquartered in Toronto, Ontario in 1993, and has grown into one of the largest alternative telecommunications providers to both residential and business customers.

Telehop originally began offering residential and business two-way monthly 'flat rate' calling services in the Greater Toronto area between communities where a call would otherwise be a long distance call. In 1994, Telehop became one of Canada's few Equal Access Long Distance Providers, allowing it to offer its customers full service long distance calling globally at significantly lower rates. Telehop has broadened into home phone, business services, and wireless communications. The Canadian Radio-television and Telecommunications Commission ("CRTC") has licensed Telehop as a Class "A" telecommunications carrier.

Telehop's dedication and priority is providing residential and businesses with exceptional phone services at competitive rates without sacrificing quality service.

CONTACT:

Telehop Communications Inc.

Company Contact:

Mr. Rajiv Jagota, 416-499-5463

President and CEO

rjagota@telehop.com