



Communications Technology Investments

**TELLZA ANNOUNCES 2016 FINANCIAL RESULTS**  
**Revenue 2016 is USD \$525 Million, up 72% year over year**

**Toronto, ON** – March 31, 2017 – Tellza Communications Inc. (TSX: TEL) announced its audited financial results for the year ended December 31, 2016.

**2016 Highlights**

- Revenue was US\$525 Million, up 72% from 2015.
- YTD EBITDA\* was US\$3.3 Million or US\$0.30/share (2015 – US\$2.8 Million or US\$0.24/share)
- Net Income was US\$0.1 Million compared to US\$0.3 Million for 2015.

**Investments**

- Acquired a 33% interest in Rightway Funding Group LLC for US\$5.5 Million, funded by US\$2 Million from internal resources and US\$3.5 Million in vendor non-recourse debt. In 2016, Rightway earned US\$2.0M, of which US\$1.1Million was earned during Tellza's ownership. Tellza received US\$474,000 in distributions from Rightway which were assigned to the vendor non-recourse debt as payments toward the debt.
- Acquired a 9.9% interest in Merkez Faktoring A.S. for US\$0.7 Million. Merkez is a factoring company based in Turkey.
- Disposed of Tel3 assets and certain accounts receivable in exchange for Marketable Securities realizing an initial gain of US\$1.3 Million at the date of sale. The securities were subject to a holding period. During the holding period, the trading value of the securities received declined and the Company has recognized an unrealized loss of US\$1.8 Million as a mark to market adjustment in its statement of operations.

**Corporate**

- The Company consolidated its common stock on a 1:15 basis, reducing the number of shares outstanding.
- The Company acquired and cancelled 5% of its outstanding stock. Over five years, Tellza has acquired and cancelled 25% of its outstanding stock.
- Reported unrealized loss on marketable securities of US\$1.8 Million.
- Expanded senior credit facility to \$7.5 Million.

While we conduct our business primarily in USD and report our financial results in USD, our common shares are listed and trade on the Toronto Stock Exchange in CDN dollars. Expressed in CDN dollars, EBITDA\* was \$4.2 Million or \$.38/share compared to \$3.6 Million or \$.31/share in 2015.

The Company's financial statements and other disclosures are available on SEDAR.

The Company's corporate profile is located at [www.tellza.com/](http://www.tellza.com/).

## About Tellza

Tellza operates in both the Communications and Financial Support Services business. Tellza is a public company listed on the Toronto Stock Exchange (TEL).

### Caution Regarding Forward Looking Information:

*This press release contains forward-looking statements, which may be identified by words like "expects", "anticipates", "plans", "intends", "indicates" or similar expressions. These statements are not a guarantee of future performance and are inherently subject to risks and uncertainties. Tellza's actual results could differ materially from those currently anticipated due to a number of factors set forth in reports and other documents filed by the Company with Canadian securities regulatory authorities from time to time. See [www.sedar.com](http://www.sedar.com) which contains all securities files.*

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\*We define EBITDA as earnings before taxes, depreciation and amortization, stock based compensation, interest, minority interest and other gains and losses. EBITDA, which is a non-GAAP financial measure, it is a standard measure used in the telecommunications industry 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 meaning under IFRS. In evaluating these measures, investors should consider that the methodology applied in calculating as such measures may differ among companies and analysts. Below is a reconciliation of "EBITDA" to net income for the periods presented:

For the year ended December 31,	<u>2016</u>	<u>2015</u>
<b>Net income and comprehensive income for the period</b>	\$ 122	\$ 344
Provision for income taxes	\$ 279	\$ 81
Depreciation of property and equipment	\$ 513	\$ 405
Amortization of intangible assets	\$ 1,056	\$ 969
Impairment of Goodwill	\$ -	\$ 916
Gain on the sale of Tel 3 and Accounts Receivables	\$ (1,093)	\$ -
Unrealized loss on mark to market of Securities	\$ 1,782	\$ -
Amortization of intangible assets of associate	\$ 236	\$ -
Imputed interest on non-recourse debt of subsidiary	\$ 283	\$ -
Interest and debt costs	\$ 137	\$ 121
<b>EBITDA</b>	<u>\$ 3,315</u>	<u>\$ 2,836</u>