

BSM Technologies and Webtech Wireless to Merge

Combination creates a global top 20 commercial fleet telematics provider with a focus in rail, government, construction, trucking, and service verticals.

- 155,000 subscribers across Canada and the United States
- \$58 million total revenue
- \$37 million in recurring subscription revenue
- Strong balance sheet with over \$30 million in cash

TORONTO and VANCOUVER, July 30, 2015 /CNW/ - BSM Technologies Inc. ("BSM") (TSX-V: GPS), a leading provider of remote monitoring, fleet management, and fleet diagnostics systems, and Webtech Wireless Inc. ("Webtech") (TSX:WEW), a leading provider of GPS fleet management solutions, are pleased to announce that BSM and Webtech have entered into a definitive arrangement agreement (the "Arrangement Agreement"), unanimously approved by the Boards of Directors of BSM and Webtech, pursuant to which BSM and Webtech will combine to create a leading telematics company positioned for growth. The transaction is structured as a merger of equals with a combined transaction equity value of approximately \$85 million.

Subject to the terms of the Arrangement Agreement, BSM will acquire all of the outstanding Webtech common shares for \$0.52 in cash plus 2.136 BSM common shares for each Webtech common share (the "Proposed Transaction"). Upon completion of the Proposed Transaction, existing BSM and Webtech shareholders will own approximately 51% and 49% of the combined company, respectively.

Transaction Highlights

The merger is expected to nearly double the stand-alone revenue of either company and significantly enhance the profitability of each business. The combined company will have total revenue of \$58 million, of which \$37 million is recurring service revenue, and Adjusted EBITDA of \$4.75 million, all on a trailing 12-month basis prior to anticipated synergies. Expected operational and financial synergies are anticipated to result in near-term annualized cost savings of \$1.5 million, with additional expected annualized cost synergies of \$2.5 million to \$3.5 million as the companies complete the integration process during the 12 to 18 months post closing.

"The merger between BSM and Webtech marks an important milestone for both companies," said Aly Rahemtulla, President and CEO of BSM. "It is an opportunity to combine two similar sized businesses and create significant scale in a consolidating market. We believe that upon completion of the integration process, we will have sufficient scale to significantly increase our operating margins. As a combined company, we have an opportunity to leverage our respective best business practices, leading technology and industry experience to build an even stronger organization. We are very excited about the potential to deliver accelerated growth, unlock financial leverage and establish a dominant position in targeted telematics verticals."

Both BSM and Webtech have adopted a vertical focus in their respective go-to-market strategies. BSM's strong presence in rail will be complemented by Webtech's success in the government and trucking verticals. In combining each company's recent efforts in the construction space, the construction vertical represents a significant growth opportunity for the combined company. By uniting research and development technologies, the combined company will have the scale required to develop new innovative products for its customers.

Management Team and Board of Directors

The combined company will be headquartered in Toronto, Canada, and will operate under the name BSM Technologies Inc. Andrew Gutman, Chairman and Chief Executive Officer of Webtech will become Chairman of BSM, following the closing of the Proposed Transaction. The number of directors on BSM's Board of Directors (the "BSM Board") will remain at six. Three existing members of the BSM Board will step down, and Webtech will have the right to designate two Board nominees in addition to Mr. Gutman. The executive management team will continue to be led by current BSM President and Chief Executive Officer, Mr. Aly Rahemtulla. Mr. Louis De Jong will continue as the Chief Financial Officer.

"We are very excited about merging with BSM, and are confident that this strategic step is in the best interest of our shareholders, customers and employees," said Andrew Gutman, Webtech Chairman and Chief Executive Officer. "We will be stronger together. Over the past year, the Webtech management team and Board of Directors have been intensely committed to improving operating efficiency, strengthening sales execution, introducing new product offerings and, overall, better positioning the company to capitalize on our growth prospects. Through this merger, we will benefit from the progress we have made, and be better able to accelerate growth going forward. We look forward to the increased financial and operational resources that this merger will provide, and we are excited about our future prospects."

Transaction Details

Subject to the terms of the Arrangement Agreement, BSM will acquire all of the outstanding Webtech common shares for \$0.52 in cash plus 2.136 BSM common shares for each Webtech common share. Upon completion of the Proposed Transaction, existing BSM and Webtech shareholders will own approximately 51% and 49% of the combined company, respectively. Webtech's outstanding options will be adjusted in accordance with their terms such that the number of BSM common shares received upon exercise and the exercise price will reflect the exchange ratio.

The Proposed Transaction will be carried out by way of a court-approved plan of arrangement under the *Business Corporations Act* (British Columbia) and will require the approval of at least 66 2/3% of the votes cast by the shareholders of Webtech, plus any majority of the minority approvals of Webtech shareholders that may be required, at a special meeting expected to take place in September 2015.

Webtech's Board of Directors have determined the Proposed Transaction is in the best interests of Webtech and its shareholders, having taken into account advice from its financial advisor, and have unanimously approved the Proposed Transaction and recommends that Webtech's shareholders vote in favour of the Proposed Transaction. The directors, officers and certain principal shareholders of Webtech, who together control approximately 33% of the outstanding Webtech common shares, have signed voting support agreements and confirmed their intention to vote their Webtech common shares in favour of the Proposed Transaction.

BSM's shareholders will also be asked to approve the issuance of the BSM shares in connection with the Proposed Transaction by majority vote at a special meeting expected to take place in September 2015.

BSM's Board of Directors have determined the Proposed Transaction is in the best interest of BSM and its shareholders, having taken into account advice from its financial advisor, and have unanimously approved the Proposed Transaction and recommends that BSM's shareholders vote in favour of the share issuance in connection with the Proposed Transaction. The directors and officers of BSM have signed voting support agreements and confirmed their intention to vote their BSM common shares in favour of the Proposed Transaction.

In addition to shareholder and court approvals, the Proposed Transaction is subject to closing conditions customary in transactions of this nature. Further, BSM anticipates applying to graduate to the Toronto Stock Exchange from the TSXV under the existing symbol for BSM. Webtech and BSM anticipate that the transaction will be completed on September 30, 2015. The Proposed Transaction includes customary provisions, including covenants not to solicit other acquisition proposals and the right to match any superior proposals. Termination fees of \$1.45 million will be paid to BSM, or Webtech in certain circumstances should the Proposed Transaction not be completed.

None of the BSM securities to be issued pursuant to the Arrangement have been or will be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws, and any BSM securities issued pursuant to the Arrangement are anticipated to be issued in reliance upon available exemptions from such registration requirements pursuant to Section 3(a)(10) of the U.S. Securities Act and applicable exemptions under state securities laws. *This press release does not constitute an offer to sell, or the solicitation of an offer to buy, any securities.*

Further information regarding the Proposed Transaction will be included in the joint management proxy circular expected to be mailed to BSM and Webtech

shareholders in August. Copies of the Arrangement Agreement and joint management proxy circular will be available on SEDAR at www.sedar.com.

BSM intends to finance the cash portion of the Proposed Transaction with cash on-hand.

Advisors and Counsel

TD Securities Inc. is acting as financial advisor to BSM and has provided an opinion to the BSM Board that, as of the date thereof and subject to the assumptions, limitations and qualifications set forth therein, the consideration to be paid by BSM to Webtech shareholders pursuant to the Arrangement Agreement is fair, from a financial point of view, to BSM. CIBC World Markets Inc. is acting as financial advisor to Webtech and has provided an opinion to the Board of Directors of Webtech that, as of the date thereof and subject to the assumptions, limitations and qualifications set forth therein, the consideration to be received by Webtech shareholders pursuant to the Arrangement Agreement is fair, from a financial point of view, to Webtech shareholders. BSM retained Cassels Brock & Blackwell LLP as its Canadian legal counsel and Neal Gerber & Eisenberg LLP as its U.S. legal counsel. Blake, Cassels & Graydon LLP is acting as Canadian legal counsel to Webtech with Shearman and Sterling, LLP acting as its U.S. legal counsel.

Conference Call Information

BSM and Webtech will host a joint conference call to discuss the proposed merger on July 31, 2015 at 8:30 a.m. ET. All interested parties are invited to participate.

Dial-In Number: 647-427-7450 or 1-888-231-8191

Conference Id: 93778694

416-849-0833 or 1-855-859-2056

Reference Number 93778694

Taped Replay: Available Until Thursday, August 8, 2015 At Midnight

<http://bit.ly/1t9uGG>

Live Webcast: Webcast Will Be Archived For 90 Days

Quarterly Earnings Release

BSM will report its fiscal 2015 third quarter results for the period ended June 30, 2015 with a press release after markets on August 5, 2015 and host a conference call at 8:30 a.m. ET on August 6, 2015.

Webtech will report its fiscal 2015 second quarter results for the period ended June 30, 2015 with a press release on August 6, 2015 before markets open and host a conference call at 11:00 a.m. ET on August 6, 2015.

Non-IFRS Disclosures

BSM and Webtech believe that investors use certain non-IFRS measures as indicators to assess telematics companies, specifically EBITDA and adjusted EBITDA. "EBITDA" and "adjusted EBITDA" are measures of our operating profitability. We believe that EBITDA and adjusted EBITDA provide useful information to our investors because they exclude transactions not related to the core cash operating business activities, allowing meaningful analysis of the performance of our core cash operations. EBITDA is an indicator of the financial results generated by our business activities excluding: the impact of any financing activities; amortization of property, equipment and intangible assets; and taxes with respect to various jurisdictions. Adjusted EBITDA is a further refinement of EBITDA to remove the effect of: acquisition, integration and restructuring related costs; share-based compensation expense; write-off of goodwill or other impairments to any financial and non-financial assets; fair value adjustments on contingent consideration; and costs related to certain legal actions. As such, adjusted EBITDA provides more meaningful continuity with respect to the comparison of our operating results over time. EBITDA and adjusted EBITDA are derived from the consolidated statements of operations and comprehensive income and statement of cash flows. We believe that using these metrics enhances an overall understanding of the Company's results and we present them for that purpose. See BSM's management discussion & analysis on its SEDAR profile for a reconciliation of these non-IFRS measures.

Cautionary Note Regarding Forward-Looking Statements

This news release includes certain forward-looking statements or information under applicable Canadian, U.S. and other securities laws. Such forward-looking information and statements are often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect" and "intend" and statements that an event or result "may", "will", "should", "could", or "might" occur or be achieved and any other similar expressions. Such forward-looking information includes but is not limited to, statements with respect to the potential completion and timing of the Proposed Transaction, the future financial or operating performance of the combined company and their respective verticals, statements regarding synergies and financial impact of the Proposed Transaction, the board and management team following completion of the Proposed Transaction, the terms and conditions of the Proposed Transaction, the benefits of the Proposed Transaction and the timing and possible outcome of shareholder and regulatory matters. These forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business and include, but are not limited to, efficiently and successfully completing a network operating centre consolidation, efficiently and successfully completing a hardware and software consolidation, receiving increased volume discounts from suppliers and efficiently and successfully realizing operational efficiencies. Management believes that these assumptions are reasonable; however, some risks include, but are not limited to, the failure to efficiently or successfully complete network centre consolidation, the failure to efficiently or successfully complete hardware and software consolidation, the failure to realize or receive increased volume discounts from suppliers and the failure to efficiently or successfully achieve the expected operational efficiencies. If any of the assumptions underlying the expected synergies prove to be incorrect, then the net income of the resulting company will not increase by the amount of such shortfall. BSM Technologies Inc. and Webtech Wireless Inc. have provided the anticipated financial, operational and cost synergies in this press release to assist shareholders in their understanding of the Proposed Transaction. Readers are cautioned that this information may not be appropriate for any other purposes. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those contained in the forward-looking information. Some of these risks, uncertainties and other factors are described under the heading "Risk Factors" in BSM's annual management discussion and analysis and in Webtech's annual information forms available at www.sedar.com. Forward-looking information is based on estimates and opinions of management at the date the statements are made. Except as required by applicable law, BSM and Webtech do not undertake any obligation to update forward-looking information. Readers should not place undue reliance on forward-looking information.

About BSM Technologies Inc. (bsmwireless.com)

BSM Technologies Inc., through its subsidiary BSM Wireless Inc., is a leading provider of remote monitoring, [fleet tracking](#), [fleet maintenance](#), and business intelligent engine providing real time, [webbased tracking](#) of mobile and fixed assets. BSM provides solutions for commercial, government, and law enforcement organizations who manage and operate diverse assets and large fleets, and who seek to enhance customer service, improve the safety of their drivers and vehicles, and [lower business costs](#).

About Webtech Wireless®

Webtech Wireless is a leader in providing fleet management telematics, GPS and automatic vehicle location (AVL) solutions that improve efficiency, accountability and reduce costs. Our end-to-end solutions automate record keeping and regulatory compliance, reduce fuel burn and idling, mitigate risk, and keep drivers safe. Customers trust us to ensure people are accountable and vehicles are visible, through the cloud, in the office, or straight to mobile devices. Our Webtech Fleet Center™ software solution, and our supporting product suite, including Webtech Driver Center™ and Webtech 511®, provides advanced fleet management capabilities for winter maintenance, public works and waste management fleets within government markets; and fleet performance, driver behavior, Hours of Service (HOS), and Electronic Logging Device (ELD) technology for commercial fleet operations and compliance. Please visit www.webtechwireless.com.

All amounts in Canadian dollars (CAD\$) unless otherwise noted. *Neither the TSX, the TSX Venture Exchange nor their Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.*

SOURCE BSM Technologies Inc.

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CO: BSM Technologies Inc.

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