

BSM Technologies Inc. Reports Fiscal Third Quarter 2016 Results

TORONTO, August 15, 2016 - BSM Technologies Inc. ("BSM" or the "Company") (TSX: GPS), a leading provider of remote monitoring, [fleet management](#), [fleet diagnostics](#) and automated vehicle security systems, today announced its financial and operating results for the three and nine months ended June 30, 2016 (the "Quarter" and "Year-to-Date", respectively). The operating and financial results of BSM for the Quarter and the Year-to-Date period are prepared on a consolidated basis and include the operating results of Webtech Wireless Inc. ("Webtech"). The comparable period in fiscal 2015 does not include the operating and financial results of Webtech, as the Company completed its acquisition of Webtech on September 30, 2015. All amounts are in Canadian dollars.

Third Quarter Fiscal 2016 Highlights

- Recurring revenue⁽ⁱ⁾ of \$9.1 million as compared to \$5.1 million in the third quarter of fiscal 2015 ("Q3 2015").
- Hardware and service revenue of \$4.0 million as compared to \$2.6 million in Q3 2015.
- Total revenue of \$13.1 million as compared to \$7.7 million in Q3 2015.
- Adjusted EBITDA⁽ⁱ⁾ of \$1.9 million as compared to \$0.8 million in Q3 2015.
- Subscriber base gross additions of 3,400 and churn of 4,700 ending the Quarter with 148,800 total subscribers.
- As of the close of trading August 12, 2016, BSM has repurchased 7,523,500 common shares at an average price of \$0.98 per share under the Company's normal course issuer bid since its commencement on December 23, 2015.

Management Commentary:

"We delivered solid Adjusted EBITDA⁽ⁱ⁾ as well as Adjusted EBITDA margin improvement in the quarter, reflecting the benefits of cost synergies and overall disciplined expense management," said Aly Rahemtulla, BSM's President and CEO. "While seasonality in our government vertical and foreign exchange headwinds placed some pressure on top line results, we exited the quarter with an improved pipeline."

Mr. Rahemtulla continued: "We achieved almost \$4 million in annualized cost synergies in the Quarter, keeping us on track with our target of delivering \$4.0 to \$5.0 million within the first 18-months following the merger with Webtech. Our outlook for the remainder of fiscal 2016 is unchanged. We remain focused on integrating the two businesses and refining our go-to-market strategy. Looking to fiscal 2017, we continue to expect some quarter-to-quarter variability in our results, but are confident in our ability to deliver top line growth and increase profitability for the year."

Financial Highlights for Fiscal 2016 Third Quarter and Year-to-Date period:

(\$ thousands except gross margin % and per share data)

	Three months ended		Nine months ended	
	June 30		June 30	
	2016	2015	2016	2015
Total revenue	\$13,092	\$7,703	44,032	23,205
Recurring revenue ⁽ⁱ⁾	9,058	5,146	28,918	15,299
Hardware and other revenue	4,034	2,557	15,114	7,906
Gross profit	7,230	3,937	24,409	11,420
Gross margin %	55%	51%	55%	49%
Net income (loss)	(161)	(523)	(1,525)	(465)
Basic income (loss) per share	(0.002)	(0.012)	(0.018)	(0.010)
Diluted income (loss) per share	(0.002)	(0.012)	(0.018)	(0.010)
EBITDA ⁽ⁱ⁾	1,894	609	4,799	2,801
Adjusted EBITDA ⁽ⁱ⁾	1,882	796	6,320	2,117

Balance as at

(\$ thousands)

	June 30, 2016	September 30, 2015
Cash and cash equivalents	\$22,373	\$23,980
Restricted cash and cash equivalents	2,800	8,800

(i) Recurring revenue, subscriber, EBITDA and Adjusted EBITDA are non-GAAP financial measures and do not have any standardized meaning prescribed by the Company's GAAP and are therefore unlikely to be comparable to similar measures presented by other issuers. Refer to the management's discussion and analysis for the three and nine months ended June 30, 2016, for further details with respect to the Company's non-GAAP financial performance measures. See "Non-GAAP Disclosures" below.

(ii) Following the completion of BSM's "merger of equals" transaction with Webtech, the Company re-evaluated the presentation of its financial information. Through this process, the Company has revised the presentation of certain aspects of financial information disclosed. Refer to the Company's management's discussion and analysis for the three and nine months ended June 30, 2016, for further details with respect to the change in financial statement presentation.

The Company's condensed interim consolidated financial statements for the three and nine months ended June 30, 2016, together with its corresponding management's discussion and analysis can be found under the Company's profile on SEDAR at www.sedar.com and on the Company's website at bsmwireless.com.

Conference call details:

DATE:	Tuesday, August 16, 2016
TIME:	8:30 a.m. ET
DIAL-IN NUMBER:	647-427-7450 or 1-888-231-8191
CONFERENCE ID:	53139480
TAPED REPLAY:	416-849-0833 or 1-855-859-2056 Reference number 53139480 Available until Tuesday, August 23, 2016 at midnight
LIVE WEBCAST:	http://bit.ly/29PLBki Webcast will be archived for 90 days

About BSM Technologies Inc. (bsmwireless.com)

BSM Technologies Inc., through its subsidiaries, is a global top 20 commercial fleet telematics provider for automatic vehicle location (AVL) solutions that improve efficiency, accountability and reduce costs for fleet operators. BSM's end-to-end solutions automate record keeping and regulatory compliance, reduce fuel burn and idling, mitigate risk, and keep drivers safe. BSM provides solutions for commercial and government units who manage and operate diverse assets and large fleets that utilize its integrated [fleet tracking](#), [fleet maintenance](#), and intelligent business engine which provides real time, [web-based tracking](#) of mobile and fixed assets.

For more information, please visit <http://www.bsmwireless.com>

Non-GAAP Disclosures

BSM believes that investors use certain non-GAAP financial measures as indicators to assess telematics companies, specifically recurring revenue, EBITDA and Adjusted EBITDA. "**Recurring revenue**" includes monthly application service provider fees, monthly monitoring fees, and resale of cellular and satellite data. Recurring revenue is derived from the service revenue category within the segmented information note of the Company's financial statements. BSM believes that Recurring revenue provides useful information to BSM's investors because it shows the long term nature of service revenue. "**EBITDA**" and "**Adjusted EBITDA**" are measures of BSM's operating profitability. BSM believes that EBITDA and Adjusted EBITDA provide useful information to its investors because they exclude transactions not related to the core cash operating business activities, allowing meaningful analysis of the performance of BSM's core cash operations. EBITDA is an indicator of the financial results generated by BSM's

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 BSM's operating results over time. EBITDA and Adjusted EBITDA are derived from the consolidated statements of operations and comprehensive income and statement of cash flows. BSM believes that using these metrics enhances an overall understanding of the Company's results and BSM presents them for that purpose. See BSM's management discussion and analysis on its SEDAR profile at www.sedar.com and on the Company's website at bsmwireless.com for a reconciliation of these non-GAAP 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 future financial or operating performance of the Company, the ability to capitalize on future opportunities and statements regarding synergies and financial impact of integrating Webtech and BSM. 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 capitalize on future opportunities, the failure to realize or receive increased volume discounts from suppliers and the failure to efficiently or successfully achieve the expected operational efficiencies. The Company has provided the anticipated financial, operational and cost synergies in this press release to assist shareholders in their understanding of Webtech 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 information form 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 does not undertake any obligation to update forward-looking information. Readers should not place undue reliance on forward-looking information.

SOURCE BSM Technologies Inc.

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