



BSM Technologies Inc. Reports Fourth Quarter and Fiscal Year-End 2017 Results

TORONTO, December 13, 2017 - BSM Technologies Inc. ("BSM" or the "Company") (TSX: GPS), a leading provider of real-time GPS fleet and asset management solutions, today announced its financial and operating results for the three and twelve months ended September 30, 2017 (the "Fourth Quarter" and "Fiscal 2017", respectively). The operating and financial results of BSM for the Fourth Quarter and Fiscal 2017 are prepared on a consolidated basis and include the operating results of BSM Analytics Inc. d/b/a Mobi ("Mobi"), which assets were acquired on October 3, 2016. The comparable periods in fiscal 2016 do not include the operating and financial results of Mobi and the acquisition of Mobi has led to significant changes in our operating results. All amounts are presented in Canadian dollars unless otherwise stated.

Fiscal 2017 Highlights:

- Recurring Revenue⁽ⁱ⁾ of \$45.7 million, an increase of 19% compared to \$38.3 million in fiscal 2016 ("F2016").
- Hardware Revenue⁽ⁱ⁾ and Professional Services Revenue⁽ⁱ⁾ of \$21.0 million, an increase of 2% compared to \$20.7 million in F2016.
- Total revenue of \$66.7 million, an increase of 13% compared to \$59.0 million in F2016.
- Adjusted EBITDA⁽ⁱ⁾ of \$8.3 million, a decrease of 1% as compared to \$8.4 million in F2016.
- Acquired the assets of Mobi Corp., enhancing commercial fleet management solutions to include planning, scheduling, route optimization and fleet analytics.

Fourth Quarter Highlights:

- Recurring Revenue⁽ⁱ⁾ of \$11.0 million, an increase of 17% compared to \$9.4 million in the fourth quarter of fiscal 2016 ("Q4 F2016").
- Hardware Revenue⁽ⁱ⁾ and Professional Services Revenue⁽ⁱ⁾ of \$4.7 million, a decrease of 16% compared to \$5.6 million in Q4 F2016.
- Total revenue of \$15.7 million, an increase of 5% compared to \$15.0 million in Q4 F2016.
- Adjusted EBITDA⁽ⁱ⁾ of \$ 1.2 million, a decrease of 40% compared to \$2.0 million in Q4 F2016.
- Subscriber Gross Additions⁽ⁱⁱ⁾ of 6,300 and Subscriber Churn⁽ⁱⁱ⁾ of 5,600 bringing the total number of Subscribers⁽ⁱⁱ⁾ to 161,700 at the end of the Fourth Quarter.

Management Commentary:

"In fiscal 2017, we continued to invest in our business to enhance our sales and marketing, customer experience and technology. We also made the key acquisition of the assets of Mobi Corp., which expanded our service offering, provided cross-selling opportunities, and strengthened our management team," said Aly Rahemtulla, BSM's President and CEO. "In fiscal 2018, we intend to capitalize on the advances we've made in our software platform consolidation, in particular, as we leverage our investment in both the technology and human resources required to take full advantage of our analytics capabilities. We continue to focus on our customers and ensure they are provided with an exceptional customer

experience, which drives organic growth and will assist us to achieve positive trends in revenue alongside robust margins. Our focus on vertical market opportunities will continue as we expand our product solutions to include more in-depth data visualization for both existing and new customers, which will provide a more robust end-to-end asset utilization experience for our customers.”

Financial Highlights for the Fourth Quarter and Fiscal 2017

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

| | Three months ended September 30 | | Twelve months ended September 30 | |
|--|---------------------------------|--------|----------------------------------|--------|
| | 2017 | 2016 | 2017 | 2016 |
| Total revenue | 15,690 | 14,965 | 66,717 | 58,997 |
| Recurring Revenue ⁽ⁱ⁾ | 10,976 | 9,346 | 45,660 | 38,264 |
| Hardware Revenue ⁽ⁱ⁾ and Professional Services Revenue ⁽ⁱ⁾ | 4,714 | 5,619 | 21,057 | 20,733 |
| Gross profit | 9,150 | 8,587 | 39,339 | 32,997 |
| Gross margin % | 58% | 57% | 59% | 56% |
| Net income | (1,218) | 9,135 | (4,202) | 7,609 |
| EPS - basic | (0.014) | 0.112 | (0.052) | 0.091 |
| EPS - diluted | (0.014) | 0.112 | (0.052) | 0.090 |
| EBITDA ⁽ⁱ⁾ | 343 | 3,485 | 5,292 | 8,282 |
| Adjusted EBITDA ⁽ⁱ⁾ | 1,189 | 2,033 | 8,324 | 8,353 |

(i) Recurring Revenue, Hardware Revenue, Professional Services Revenue, EBITDA and Adjusted EBITDA are non-GAAP financial measures and do not have standardized meanings; therefore, they are unlikely to be comparable to similar measures presented by other companies. See “Non-GAAP Disclosures” below for more details.

(ii) Subscriber, Subscriber Gross Additions and Subscriber Churn are key performance indicators of the Company and are therefore unlikely to be comparable to similar measures presented by other companies. Refer to the “Non-GAAP Financial Measures and KPIs” section in the Company’s management discussion and analysis for the three months and twelve months ended September 30, 2017, available under the Company’s profile on SEDAR at www.sedar.com, for further information on these definitions.

The Company's consolidated financial statements for the years ended September 30, 2017 and 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 <http://www.bsmtechnologies.com>.

Conference Call Details:

| | |
|-----------------|--|
| DATE: | Thursday, December 14, 2017 |
| TIME: | 8:30 a.m. ET |
| DIAL-IN NUMBER: | 647-427-7450 or 1-888-231-8191 |
| CONFERENCE ID: | 3989906 |
| TAPED REPLAY: | 416-849-0833 or 1-855-859-2056 Reference number 3989906 |

LIVE WEBCAST:

<http://bit.ly/2BOAHJu>

Webcast will be archived for 90 days

About BSM Technologies:

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.bsmtechnologies.com>.

Non-GAAP Disclosures:

This news release includes the measures “Recurring Revenue”, “Hardware Revenue”, “Professional Services Revenue”, “EBITDA” and “Adjusted EBITDA”, which are “non-GAAP financial measures” under applicable laws. Non-GAAP financial measures do not have any standardized meaning under the Company’s GAAP and therefore may not be comparable to similar measures presented by other companies. Readers are cautioned that that the disclosure of these items are meant to add to, and not replace, the discussion of financial results or cash flows from operations as determined by the Company’s GAAP under International Financial Reporting Standards. BSM believes that investors use these non-GAAP financial measures as indicators to assess telematics companies.

| Non-GAAP Measure: | Why We Use It | How We Calculate or Define It | Most Comparable IFRS Financial Measure |
|--|--|---|--|
| Recurring Revenue Hardware Revenue Professional Services Revenue | <ul style="list-style-type: none"> We believe that separately disclosing these revenue categories helps us to explain period-over-period variation in our financial performance. Furthermore, gross profit margin generated by each revenue categories varies and we believe disclosure of these different categories helps our investors to better understand the composition of our total revenue and the impact of relative changes in revenue categories on total gross profit margin. We believe that Recurring Revenue provides useful information to our investors because it shows the long-term nature of revenue earned from our customer relationships. | <ul style="list-style-type: none"> Recurring Revenue is defined by us as: revenue from our monthly services fees, monthly monitoring fees, and the cost of cellular and satellite data. Recurring Revenue is recognized monthly as services are delivered. Hardware Revenue is defined by us as: revenue from the sale of our proprietary and third-party telematics devices. Professional Services Revenue is defined by us as: revenue from installation fees, project management fees, custom development fees, cancellation fees and other one-time fees for services provided to our customers. | Revenue |
| EBITDA Adjusted EBITDA | <ul style="list-style-type: none"> 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, | <ul style="list-style-type: none"> EBITDA is defined by us as: Net income/(loss) adjusted by: cost of debt financing activities; depreciation of property and equipment; amortization of | Net income/(loss) |

| | | | |
|--|---|---|--|
| | <p>allowing meaningful analysis of the performance of BSM's core cash operations.</p> <ul style="list-style-type: none"> • We believe Adjusted EBITDA provides more meaningful continuity with respect to the comparison of BSM's operating results over time. • We believe that using these metrics enhances an overall understanding of the Company's results and we present them for that purpose. | <p>intangible assets; and taxes with respect to various jurisdictions.</p> <ul style="list-style-type: none"> • Adjusted EBITDA is defined by us as: EBITDA adjusted by: acquisition, integration and restructuring related costs; share-based compensation expenses; write-off of goodwill or other impairments to any financial and non-financial assets; fair value adjustments on contingent consideration; costs related to certain legal actions; and gains and losses resulting from the translation of non-Canadian dollar working capital balances. | |
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Reconciliation of Recurring Revenue, Hardware Revenue and Professional Services Revenue to Total Revenue

Each of these revenue categories are components of total revenue as disclosed in the statement of operations in the Company's financial statements and presented within the financial highlights table of this press release.

| (\$ thousands) | Three months ended | | Twelve months ended | |
|-------------------------------|--------------------|---------------|---------------------|---------------|
| | September 30 | | September 30 | |
| | 2017 | 2016 | 2017 | 2016 |
| Hardware Revenue | 4,183 | 4,363 | 17,700 | 16,268 |
| Recurring Revenue | 10,976 | 9,346 | 45,660 | 38,264 |
| Professional Services Revenue | 531 | 1,256 | 3,357 | 4,465 |
| Total Revenue | 15,690 | 14,965 | 66,717 | 58,997 |

Reconciliation of EBITDA and Adjusted EBITDA to Net Income/(Loss)

| (\$ thousands) | Three months ended | | Twelve months ended | |
|--|--------------------|---------|---------------------|---------|
| | September 30 | | September 30 | |
| | 2017 | 2016 | 2017 | 2016 |
| Net income/(loss) as reported | (1,218) | 9,135 | (4,202) | 7,609 |
| Add (deduct): | | | | |
| Interest expense, net of interest received | 123 | 138 | 1,297 | 549 |
| Tax recovery | (491) | (7,301) | (109) | (6,199) |
| Amortization | 1,929 | 1,513 | 8,306 | 6,323 |
| EBITDA | 343 | 3,485 | 5,292 | 8,282 |
| Add (deduct): | | | | |
| Share-based compensation | 453 | 256 | 1,911 | 708 |
| Fair value adjustments on contingent consideration | (285) | (1,704) | (285) | (1,854) |
| Foreign exchange (gain)/loss | 174 | (223) | 567 | 66 |
| Acquisition, integration and restructuring costs | 504 | 219 | 839 | 1,151 |
| Adjusted EBITDA | 1,189 | 2,033 | 8,324 | 8,353 |

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 BSM's software platform consolidation plan, plans to invest in technology and human resources, plans to increase customer experience to drive organic growth and achieve positive trends in revenue and robust margins, plans to expand BSM's product solutions, plans to enhance the Company's enterprise solution in order to better serve the Company's customers and achieve greater commercial growth, and the ability of the Company to capitalize on future opportunities. 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, successfully completing a hardware and software platform consolidation and developing an enhanced enterprise solution, and current and future customers reacting positively to the enhance enterprise solution leading to increased commercial growth. Management believes that these assumptions are reasonable; however, some risks include, but are not limited to, customers failing to complete purchases as indicated, the failure to efficiently or successfully complete hardware and software consolidation, and the failure to develop an enhanced enterprise solution. 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 most recent annual information form available at www.sedar.com. Forward-looking statements or information are 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.

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