

TIO Reports Record 2016 Revenue and Net Profit

6TH CONSECUTIVE QUARTER OF RECORD ADJUSTED EBITDA

VANCOUVER, Nov. 16, 2016 /CNW/ - TIO Networks Corp. (TSX-V: TNC) today announced fiscal fourth quarter and full fiscal year 2016 financial results for the period ended July 31, 2016.

Annual and Quarterly financial & business highlights (all figures in CA dollars)

- Annual Adjusted EBITDA increased by 283% year over year (YoY) to \$10.6M. Q4 Adjusted EBITDA increased sequentially on a quarter over quarter (QoQ) basis by 7.4% to \$3.1M.
- Annual revenue increased by 19.4% to \$74.7M YoY. Q4 revenues increased 79.3% YoY to \$25M or by 39.3% QoQ compared to Q3 2016.
- Annual gross profit increased by 45% to \$36.6M. Q4 gross profit increased by 75% to \$11.8M as compared to Q4 last year.
- Annual gross margin improved to 49.0% from 40.5% YoY. Quarterly gross margin decreased to 47.4% from 48.5% as compared to Q4 last year.
- During fiscal 2016, the Company generated \$8.1M in free cash flow from operations. This was an increase of 274% YoY.
- During fiscal 2016, the Company processed approximately 63.9M transactions worth about \$7.3B USD, representing 18.3% YoY transaction growth. In Q4, the Company processed 20.7M transactions worth \$2.1B USD representing a 49.9% increase over the same period last year.
- The Softgate acquisition inclusive of related restructuring synergies will add more than \$6M USD in annual EBITDA to TIO's bottom line.
- During Q4, TIO incurred one-time mostly M&A related costs in the amount of \$1.51M. 80% of this was related to M&A activities such as Softgate restructuring costs and 20% was related to the revaluation of our Softgate related debt at a higher USD/CAD rate as of July 31 as compared to the previous balance sheet date of April 30, 2016. Also, in Q4, the Company booked \$0.67M of income tax expense related FY2016 while only \$0.02M was booked in the first 3 quarters.
- During fiscal 2016, the Company invested and expensed a record \$5.5M in R&D initiatives to support and drive growth
- At year-end TIO's direct-to-consumer membership grew to 1.28M members.
- Net cash for use in operations is \$11.8M

In thousands expressed in Canadian dollars	Three months ended July 31, Year ended July 31,			
	2016	2015	2016	2015
Revenue	\$ 25,020	\$ 13,951	\$ 74,661	\$ 62,511
Gross Profit	\$ 11,848	\$ 6,769	\$ 36,620	\$ 25,307
Adjusted EBITDA*	\$ 3,092	\$ 1,350	\$ 10,635	\$ 3,760
Operating Cash Flow before non-cash working capital items	\$ 2,296	\$ 908	\$ 8,162	\$ 2,981
Net Income (loss)	\$ (478)	\$ 142	\$ 4,193	\$ 41

"2016 was a transformational year for TIO," said Hamed Shahbazi, Chairman and CEO of TIO Networks. "We closed and have made great progress in integrating the Softgate acquisition – the largest in our corporate history. Our annual revenue and profitability hit record highs and has put us in the best financial position we have ever been as a company. With the full-weight of Softgate's financial and operational strengths ahead of us, in addition to other catalysts that we are working on, 2017 promises to be another strong year of profitable growth."

A conference call to discuss the results will be held Wednesday, November 16, 2016 at 2:00 pm EST, 11:00am PST. To participate in the call please dial 416-642-5209 in Toronto or Toll free, 1-800-263-0877 and request the TIO Conference, conference ID 1265374.

To learn more, visit: www.TIONetworks.com

About TIO Networks Corp

TIO is a cloud-based multi-channel bill payment processing and receivables management company, serving the largest telecom, wireless, cable, and utility bill issuers in North America. TIO integrates with the back office of billing systems to accept, validate, and accept payments outside of the traditional bank channel, via self-service kiosk, retail walk-in, mobile, and web solutions. With more than 71,000 endpoints in its processing network, TIO symbolizes fast, convenient, and secure access to expedited bill payment services.

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The TSX Venture Exchange has not reviewed this news release and does not accept responsibility for its adequacy and accuracy.

This news release contains forward-looking statements that involve risks and uncertainties, which may cause actual results to differ materially from the statements made. Potentially, many factors could cause our actual results to vary materially from those described herein as intended, planned, anticipated or expected. TIO Networks Corp. does not intend and does not assume any obligation to update these forward-looking statements.

* EBITDA is a non-IFRS measure - earnings before interest, tax, depreciation and amortization. Adjusted EBITDA is EBITDA plus stock-based compensation, non-recurring transaction and restructuring expenses. EBITDA is not a defined term under IFRS nor does it have a standard, agreed upon meaning. Accordingly, the Company's EBITDA may not be directly comparable to EBITDA reported by other issuers. Management had determined EBITDA is a useful supplemental measure in evaluating the Company's performance as it provides investors with an indication of cash available for debt service, working capital needs and capital expenditures. This non-IFRS measure is intended to provide additional information on the Company's performance and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

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