Memex Inc. Releases Q2 - 2016 Results
Investment in Sales Infrastructure Paying Off

Burlington, ON, Canada – May 16, 2016 – Memex Inc. ("Memex" or the "Company") (TSX-V: OEE) a global leader in Industrial Internet of Things (IIoT) manufacturing productivity software, today released its financial results and operational highlights for its second quarter of fiscal 2016 which ended March 31, 2016. All results are reported in Canadian dollars.

Financial Highlights for the Second Quarter Ended March 31, 2016:

- Memex generated quarterly revenue of $571 thousand, 42% or $169 thousand, higher than the same period in the prior year, and 7% lower than Q1-2016.
- Memex 53.4% gross margin for the quarter ($305 thousand in gross profit), was down 3.3% from the same quarter a year ago and 7.7% from Q1-2016. A higher hardware to software sales mix in the current quarter accounts for the decline.
- Unearned revenue of $536 thousand closed the quarter up $54 thousand from December 31, 2016's close and was $46 thousand off its highest level of $582 thousand at September 30, 2015.
- Bookings[i] for the quarter were $833 thousand, down 5% from the prior quarter, but up 50% or $276 thousand from Q4-2015.
- The Company showed a $991 thousand net and comprehensive loss for the quarter equating to a $0.01 loss per share. This compares with a $512 thousand net and comprehensive loss in the same quarter last year, and a $0.007 loss per share.
- At the end of the Q2 the Company had more than $3.0 million in current assets including more than $2.2 million in cash and $2.1 million in working capital.

Q2 Fiscal 2016 and Subsequent Operational Highlights:

- In February, Memex received a substantial follow-on order from Kuss Filtration Inc. for 43 MERLIN licences as part of a multi-plant roll-out in the US, China, and Brazil. Memex also generated 5 new customer orders, and more than ten follow on orders from existing customers in the quarter.
- Memex's CEO and CTO were recognized by Smart Manufacturing Magazine as two of the top 30 advanced manufacturing visionaries.
- In April, Memex launched MERLIN OPTime, a free downloadable real-time dashboard for manufacturing analytics.
- In April, Sun Hydraulics Corp. placed an 89 machine follow-on order for MERLIN MES Enterprise Edition Software, after an 11 machine initial phase.

Management Commentary:

Memex's President & CEO David McPhail said, "We continue to see strong interest in MERLIN with both follow-on orders from existing customers and new customers buying our solutions. Our investment into sales and marketing is paying off with substantial revenue gains over prior periods, and no reason not to expect the trend to continue."

Selected Financial Information

(In thousands of Canadian dollars except per share and margin %)	Three months period ended March 31			Nine months period ended March 31		
	2016	2015	% change	2016	2015	% change
Revenues	571	402	↑ 42%	1,185	903	↑ 31%
Bookings[i]	833	note 1		1,709	note 1	
Gross margin percentage	53.5%	56.7%	↓ 6%	57.4%	57.9%	↓ 1%
Operating expenses	1,338	721	↑ 86%	2,384	1,460	↑ 63%
Net and comprehensive loss for the period	(991)	(512)	↓ 94%	(1,632)	(972)	↓ 68%
Basic and diluted loss per share	(0.010)	(0.007)	↓ 41%	(0.017)	(0.014)	↓ 17%

1. Memex only began collecting bookings data July 1, 2015, comparable information is not available.

As at (In thousands of Canadian dollars, except ratio amounts)	March 31, 2016	Sept 30, 2015	% change
Cash on hand	2,249	3,316	↓ 32%
Current assets	3,030	4,219	↓ 28%
Total assets	3,543	4,745	↓ 25%
Current liabilities	885	990	↓ 11%
Working capital*	2,145	3,229	↓ 34%
Working capital ratio**	3.42 to 1	4.26 to 1	
Unearned revenue	536	582	↓ 8%
Backlog[i]	923	409	↑ 126%

* Working capital = current assets - current liabilities

** Working capital ratio = current assets / current liabilities

About Memex Inc.

MEMEX Inc., the developer of MERLIN, an award winning IIoT technology platform that delivers tangible increases in manufacturing productivity in Real-Time, is the global leader in machine to machine connectivity solutions. Committed to its mission of "Successfully transforming factories of today into factories of the future" and encouraged by the rapid adoption and success of MERLIN, MEMEX is relentlessly pursuing the development of increasingly innovative solutions suitable in the IIoT era. MEMEX envisions converting every machine into a node on the corporate network, thereby, creating visibility from shop-floor-to-top-floor. MEMEX, with its deep commitment towards machine connectivity, offers solutions that are focused on finding hidden capacity by measuring and managing Real-Time data. This empowers MEMEX's customers to effectively quantify and manage OEE, reduce costs and incorporate strategies for continuous lean improvement. For more information, please visit: www.MemexOEE.com

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[i] This non-IFRS financial measure is identified, defined and reconciled to the closest IFRS measure, revenue, within our Management's Discussion and Analysis for the three and six month periods ended March 31, 2016 and 2015, in the section "Other Financial Measures." That MD&A is available at www.sedar.com under our company profile.