

3tl Technologies Corp. Announces 2017 Q2 Results

VANCOUVER, Aug. 29, 2017 /CNW/ - 3tl Technologies Corp. (TSXV: TTM)(OTCQB: TTMZF) (the "Company" or "3tl") announced its financial results for the quarter and six month period ended June 30, 2017. The financial statements, management discussion and analysis are available on SEDAR.

The Company's overall performance for the six months ended June 30, 2017:

- Revenue for the quarter increased by 84% to \$356,520, and revenue for the six month period increased by 63% to \$559,256, compared with the same periods in 2016.
- Increased the average value of license agreements including, the multi-year agreement with NBC Universal owned Fandango Rewards.
- Launched two new artificial intelligence modules to PLATFORM³ based on market experience and feedback, Targeted Couponing and Shopper Messaging and Retargeting.

In 2017 year-to-date, 3tl has 27 agreements that will generate approximately \$1,200,000 in total revenues with approximately 81% of those revenues to be recognized in 2017, compared with revenues of \$665,728 for the year ended December 31, 2016:

- 75% of the Company's 2016 customers, mostly leading U.S. based brands, have renewed or signed new agreements in 2017;
- 2017 agreements show a trend to longer-term and larger agreements; and,
- 3tl has a number of annual agreements where PLATFORM³ hosts an ongoing digital loyalty and rewards programs. 3tl is generally paid an annual license fee plus transactions fees based on the number of times consumers validate purchases using PLATFORM³.

"Repeat business and the trend to longer term commitments is validation that our cloud-based platform is delivering results," said Rob Craig, CEO of 3tl. PLATFORM³ enables brands to connect directly with consumers on mobile devices, rewarding them for purchasing, interacting with the brand and sharing content via social networks, all the while collecting valuable consumer data. During longer term agreements, leading brands are building consumer databases, which can be monetized using PLATFORM³'s artificial intelligence modules to retarget consumers using the data."

RESULTS OF OPERATIONS

Revenue for the three months ended June 30, 2017 increased by 84% to \$356,520, and revenue for the six months ended June 30, 2017 increased by 63% to \$559,256, compared with the same periods in 2016.

In 2016, 3tl launched PLATFORM³ targeting Consumer Packaged Goods (CPG) companies in the U.S. The Company validated its value proposition with 38 digital shopper marketing promotions generating total revenues of \$665,728 in 2016. Most of the 2016 promotions were short-term trials.

In 2017 year-to-date, 3tl has 27 agreements that will generate approximately \$1,200,000 in total revenues with approximately 81% of those revenues being recognized in 2017:

Gross margin as a percentage of revenue for the three and six months ended June 30, 2017 was 64% and 68%, respectively, compared to 83% and 82% for the three and six months ended June 30, 2016. The decrease in gross margin as a percentage of revenue was due to 3tl providing some customers with a total solution comprised of PLATFORM³, the Company's proprietary Software-as-a-Service product, combined with some lower margin third party services.

In 2017, 3tl launched an API connection to third party digital rewards platforms. This service enables 3tl clients to offer digital rewards such as gift cards, movie tickets and virtual visas to incentivize purchase and purchase frequency. 3tl purchases these rewards on behalf of the Company's clients and charges a 15% transaction fee for the total amount of rewards purchased. Cost of sales includes the cost of servers to host PLATFORM³, and project management and customer support staff.

General and administrative expenses for the three and six months ended June 30, 2017 increased by 37% and 30% to \$372,418 and \$661,716, respectively, for the three and six months ended June 30, 2016.

Sales and marketing expenses for the three and six months ended June 30, 2017 increased by 65% and 31% to \$239,059 and \$436,227, respectively, for the three and six months ended June 30, 2016. The increase was mainly due to increased salaries and wages, and consulting fees paid in connection with sales and marketing activities.

Research and development expenditure for the three and six months ended June 30, 2017 increased by 64% and 35% to \$148,464 and \$214,476, respectively, for the three and six months ended June 30, 2016.

Research and development expenses increased for the three and six months ended June 30, 2017 compared to the three and six months ended June 30, 2016 as improvements were made to improve PLATFORM³. The costs recorded in 2016 relate to improvements to PLATFORM³. Research and development expenses may increase in the future as the Company seeks to evolve and improve PLATFORM³, as well as to invest in creating new technology and products that will enhance the Company's value proposition to customers and provide additional revenues. Research and development expenses include wages, salaries and consulting fees.

Net and comprehensive loss for the three and six months ended June 30, 2017 increased by 7% and 8% to \$513,611 and \$934,643, respectively, for the three and six months ended June 30, 2016. This increase was mainly due to the increase of operating expenses.

About 3tl Technologies Corp.

PLATFORM³ is a Software as a Service (SaaS) consumer marketing platform. It enables Consumer Packaged Goods (CPG) companies and consumer brands to engage shoppers through their mobile device and influence their purchasing decisions. PLATFORM³ encompasses proprietary consumer engagement strategies and technology modules including optical character recognition (purchase receipt scanning), digital promotions, purchase data mining, loyalty and rewards. CPG companies and major retail brands use PLATFORM³ to influence and incentivize shoppers to interact with their brand and make purchases in-store and online.

For more information, visit 3tltechcorp.com.

For additional information about the company please visit www.sedar.com. The TSX Venture Exchange Inc. has in no way passed upon the merits of the transaction and has neither approved nor disapproved the contents of this press release. Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. This news release contains forward-looking information, which involves known and unknown risks, uncertainties and other factors that may cause actual events to differ materially from current expectation. Important factors - including the availability of funds and the results of financing efforts, - that could cause actual results to differ materially from the Company's expectations are disclosed in the Company's documents filed from time to time on SEDAR (see www.sedar.com). Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. The Company disclaims any intention or obligation, except to the extent required by law, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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CNW 09:00e 29-AUG-17