



## NEWS RELEASE

### GINSMS ANNOUNCES FINANCIAL RESULTS FOR THE THREE MONTHS ENDED MARCH 31, 2016

Calgary, Alberta, May 12, 2016 – GINSMS Inc. (TSXV: GOK) (the “Company”) has announced its financial results for the first quarter ended March 31, 2016.

The complete financial results for GINSMS are available at [www.sedar.com](http://www.sedar.com). Highlights include:

- Revenue of \$1,661,412 for the three month period ended March 31, 2016 as compared to \$823,548 for the three month period ended March 31, 2015.
- Gross Profit of \$267,401 for the three month period ended March 31, 2016 respectively as compared to gross deficit of \$49,118 for the three month period ended March 31, 2015.
- Operating expenses and finance costs decreased from \$4,442,092 for the three month period ended March 31, 2015 to \$466,274 for the three month period ended March 31, 2016.
- Net loss of \$199,403 for three month period ended March 31, 2016 as compared to a net loss of \$4,364,482 for the three month period ended March 31, 2015.
- The cloud-based application-to-person messaging service (the “A2P messaging”) that was introduced in March 27, 2014 has generated revenue of \$1,405,400 for the three month period ended March 31, 2016.

#### Selected Profit and Loss Information

| Financial Highlights         | Three-month period ended March 31 (Unaudited) 2016 | Three-month period ended March 31 (Unaudited) 2015 | Nine-month period ended December 31 (Audited) 2015 | Twelve-month period ended March 31 (Audited) 2015 |
|------------------------------|--|--|--|---|
| Revenues \$                  |  |  |  |   |
| A2P Messaging Service        | 1,405,400  | 627,535  | 3,069,374  | 1,117,613   |
| IOSMS Messaging Service      | -  | 12,598   | -  | 34,820  |
| Software Products & Services | 256,012  | 183,415  | 819,316  | 754,034   |
|                              | <b>1,661,412</b>                                   | <b>823,548</b>                                     | <b>3,888,690</b>                                   | <b>1,906,467</b>                                  |
| Cost of sales \$             |  |  |  |   |
| A2P Messaging Service        | 1,209,744  | 582,240  | 2,792,424  | 1,037,629   |
| IOSMS Messaging Service      | -  | 14,218   | -  | 87,061  |
| Software Products & Services | 184,267  | 276,208  | 667,002  | 736,987   |
|                              | <b>1,394,011</b>                                   | <b>872,666</b>                                     | <b>3,459,426</b>                                   | <b>1,861,677</b>                                  |

|                                   |           |             |             |             |
|-----------------------------------|-----------|-------------|-------------|-------------|
| Gross profit \$                   |           |             |             |             |
| A2P Messaging Service             | 195,656   | 45,296      | 276,950     | 79,984      |
| IOSMS Messaging Service           | -         | (1,620)     | -           | (52,241)    |
| Software Products & Services      | 71,745    | (92,793)    | 152,314     | 17,047      |
|                                   | 267,401   | (49,118)    | 429,264     | 44,790      |
| Gross margin %                    |           |             |             |             |
| A2P Messaging Service             | 13.9%     | 7.2%        | 9.0%        | 7.2%        |
| IOSMS Messaging Service           | -         | (12.9)%     | -           | (150.0)%    |
| Software Products & Services      | 28.0%     | (50.6)%     | 18.6%       | 2.3%        |
|                                   | 16.1%     | (6.0)%      | 11.0%       | 2.3%        |
| Adjusted EBITDA <sup>(1)</sup> \$ | 42,883    | (386,866)   | (904,932)   | (1,246,772) |
| Adjusted EBITDA margin            | 2.6%      | (47.0)%     | (23.3)%     | (65.4)%     |
| Net loss \$                       | (199,403) | (4,364,482) | (2,432,182) | (6,775,846) |
| Net loss margin                   | (12.0)%   | (530.0)%    | (62.5)%     | (355.4)%    |
| Loss per share \$                 |           |             |             |             |
| Basic                             | (0.00)    | (0.07)      | (0.03)      | (0.13)      |
| Diluted                           | (0.00)    | (0.07)      | (0.03)      | (0.13)      |

(1) Adjusted EBITDA is a non-GAAP measure related to cash earnings and is defined for these purposes as earnings before income taxes, depreciation and amortization (in both cost of sales and general and administration expenses), interest expenses, the accretion on obligations and also excludes certain non-recurring or non-cash expenditure.

## About GINSMS

GINSMS is a mobile technology and services company focusing on 2 areas namely its A2P Messaging Service and its Software Products and Services. GINSMS operates a cloud-based A2P messaging service that allows the termination of SMS to mobile subscribers of more than 200 mobile operators globally. GINSMS also develops and distribute innovative software products and services for mobile operators and enterprises and have successfully deployed more than 100 solutions worldwide. GINSMS has offices in China, Singapore, Hong Kong, Malaysia and Indonesia.

## Forward Looking Statements

Certain information included in this press release may contain forward-looking statements. Forward-looking statements generally can be identified by the use of forward-looking terminology such as “may”, “could”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, or “continue” or the negative thereof or variations thereon or similar terminology. These statements are not historical facts, but reflect management’s current beliefs and are based on information currently available to management regarding future results and events. Particularly, these forward-looking statements are based on management’s estimate of future events based on technological advances relating to the Company’s services, current market conditions and past experiences of management in relation to how certain contracts will affect revenues. Forward-looking statements, by their very nature, involve significant risks, uncertainties and assumptions.

A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to dependence on major customers, system failures, delays and other problems, increasing competition, security and privacy breaches, dependence on third-party software and equipment, adequacy of network reliance, network diversity and backup systems, loss of significant information, insurance coverage, capacity limits, rapid technology changes, market acceptance, decline in volume of attractions, retention of key members of the management team, success of expansion into Chinese and other

Asian markets, credit risk, consolidation of existing customers, dependence on required licenses, economy and politics in countries where the Company operates, conflicts of interest and residency of directors and officers. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Although the forward-looking statements contained herein are based upon what management believes to be reasonable assumptions, the Company cannot assure the reader that actual results will be consistent with these forward-looking statements.

In particular, forward-looking statements include the following assumptions:

- Management's belief that the availability of 3G/4G services in China and the rest of the world will continue to create demand for the Company's software products and services.
- Management's belief that the future growth in messaging is in the area of A2P Messaging Service and the Company's investment in this area will create a viable and profitable business in the future.
- Management's belief that the Company is able to generate sufficient amounts of cash through operations and financing activities to fulfil the working capital requirements of its present operations.

These forward-looking statements are made as of the date of this press release and the Company assumes no obligation to update or revise them to reflect new events or circumstances except as may be required by law. Accordingly, readers should not place undue reliance on the forward-looking statements. Forward looking statements are presented in this news release for the purpose of assisting investors and others in understanding certain key elements of our expected fiscal 2016 financial results, as well as our objectives, strategic priorities and business outlook for fiscal 2016, and in obtaining a better understanding of the Company's anticipated operating environment. Readers are cautioned that such information may not be appropriate for other purposes. All forward-looking statements contained in this press release are qualified by this cautionary statement.

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