



GINSMS INC.

NEWS RELEASE

GINSMS ANNOUNCES FINANCIAL RESULTS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2016

Calgary, Alberta, November 11, 2016 – GINSMS Inc. (TSXV: GOK) (the “Company”) has announced its financial results for the second quarter and nine months ended September 30, 2016.

The complete financial results for GINSMS are available at www.sedar.com. Highlights include:

- Revenue of \$1,473,341 and \$4,814,174 for the three-month and nine-month period ended September 30, 2016 respectively as compared to \$1,330,793 and \$3,225,387 for the three-month and nine-month period ended September 30, 2015, respectively.
- Gross Profit of \$287,485 and \$792,654 for the three-month and nine-month period ended September 30, 2016, respectively, as compared to gross profit of \$162,273 and \$190,473 for the three-month and nine-month period ended September 30, 2015, respectively.
- Operating expenses and finance costs decreased from \$1,050,240 and \$6,403,754 for the three-month and nine-month period ended September 30, 2015, respectively, to \$666,239 and \$1,870,997 for the three-month and nine-month period ended September 30, 2016, respectively.
- Net loss of \$377,237 and \$1,077,652 for three-month and nine-month period ended September 30, 2016 as compared to a net loss of \$888,217 and \$6,089,375 for three-month and nine-month period ended September 30, 2015, respectively.
- The cloud-based application-to-person messaging service (the “A2P messaging”) that was introduced in March 27, 2014 has generated revenue of \$1,211,177 for the three-month period ended September 30, 2016.

Selected Profit and Loss Information

| Financial Highlights | Three-month period ended September 30, 2016 (Unaudited) | Three-month period ended September 30, 2015 (Unaudited) | Nine-month period ended September 30, 2016 (Unaudited) | Nine-month period ended September 30, 2015 (Unaudited) |
|------------------------------|---|---|--|--|
| Revenue \$ | | | | |
| A2P Messaging Service | 1,211,177 | 1,066,242 | 4,100,354 | 2,501,886 |
| IOSMS Messaging Service | - | - | - | 12,598 |
| Software Products & Services | 262,164 | 264,551 | 713,820 | 710,903 |
| | 1,473,341 | 1,330,793 | 4,814,174 | 3,225,387 |
| Cost of sales \$ | | | | |
| A2P Messaging Service | 1,003,415 | 966,867 | 3,480,602 | 2,327,110 |
| IOSMS Messaging Service | - | - | - | 14,219 |
| Software Products & Services | 182,441 | 201,653 | 540,918 | 693,585 |
| | 1,185,856 | 1,168,520 | 4,021,520 | 3,034,914 |

| | | | | |
|-----------------------------------|-----------|-----------|-------------|-------------|
| Gross profit \$ | | | | |
| A2P Messaging Service | 207,762 | 99,375 | 619,752 | 174,776 |
| IOSMS Messaging Service | - | - | - | (1,621) |
| Software Products & Services | 79,723 | 62,898 | 172,902 | 17,318 |
| | 287,485 | 162,273 | 792,654 | 190,473 |
| Gross margin % | | | | |
| A2P Messaging Service | 17.2% | 9.3% | 15.1% | 7.0% |
| IOSMS Messaging Service | - | - | - | (12.9)% |
| Software Products & Services | 30.4% | 23.8% | 24.2% | 2.4% |
| | 19.5% | 12.2% | 16.5% | 5.9% |
| Adjusted EBITDA ⁽¹⁾ \$ | (103,129) | (271,943) | (304,517) | (908,551) |
| Adjusted EBITDA margin | (7.0)% | (20.4)% | (6.3)% | (28.2)% |
| Net loss \$ | (377,237) | (888,217) | (1,077,652) | (6,089,375) |
| Net loss margin | (25.6)% | (66.7)% | (22.4)% | (188.8)% |
| Loss per share \$ | | | | |
| Basic | (0.003) | (0.015) | (0.008) | (0.113) |
| Diluted | (0.003) | (0.015) | (0.008) | (0.113) |

(1) Adjusted EBITDA is a non-IFRS measure which does not have any standardized meaning under IFRS. Adjusted EBITDA is 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. This non-IFRS measure is not recognized under IFRS and, accordingly, shareholders are cautioned that this measure should not be construed as an alternative to net income determined in accordance with IFRS. The non-IFRS measure presented is unlikely to be comparable to similar measure presented by other issuers. The Corporation believes that Adjusted EBITDA is a meaningful financial metric as it measures cash generated from operations which the Corporation can use to fund working capital requirements, service interest and principal debt repayment and fund future growth initiatives.

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 required licenses, dependence on major customers, system failures, delays and other problems, competition, security and privacy breaches, adequacy of network resilience, network diversity and backup systems, loss of significant information, failure to develop, enhance or introduce new value-added services, competition, dependence on third-party software and equipment, market acceptance at desired pricing levels, key members of the management team, credit

risks of accounts receivable, conflicts of interest, inability to satisfy customer demand for performance, price or terms and international risks. 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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