



NEWS RELEASE

GINSMS ANNOUNCES FINANCIAL RESULTS FOR THE THREE MONTHS ENDED JUNE 30, 2015

Calgary, Alberta, August 17, 2015 – GINSMS Inc. (TSXV: GOK) (the “Company”) has announced its financial results for the first quarter ended June 30, 2015.

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

- Revenue of \$1,071,046 for the three month period ended June 30, 2015 as compared to \$333,103 for the three month period ended June 30, 2014.
- Gross Profit of \$77,318 for the three month period ended June 30, 2015 as compared to \$54,067 for the three month period ended June 30, 2014.
- Selling, general and administrative expenses increased slightly from \$344,044 for the three months period ended June 30, 2014 to \$364,703 for the three month period ended June 30, 2015.
- Net loss of \$836,676 for three month period ended June 30, 2015 as compared to a net loss of \$732,425 for the three month period ended June 30, 2014.
- New cloud-based application-to-person messaging service (the “A2P Messaging Service”) that was introduced in March 27, 2014 has generated revenue of \$808,109 for the three month period ended June 30, 2015 and is expected to contribute significantly to the Company’s revenue in the future.
- IOSMS service has been discontinued effective September 12, 2014 and will stop contributing to the Company’s revenue in the future.

GINSMS had been suffering from revenue decline and losses in the year ended March 31, 2014 as it shut down unprofitable business units such as its traditional IOSMS person-to-person (“P2P”) messaging business where market size has been shrinking. The management has shifted focus to the rapidly growing A2P messaging business. On March 27, 2014, GINSMS announced that it had launched a cloud based A2P Messaging Service. Mobile application developers use A2P SMS service to deliver one-time-passwords (“OTP”) for authentication of over-the-top (“OTT”) mobile applications such as Whatsapp, WeChat, Line and KakaoTalk, in-app purchase confirmations or promotion of latest game releases. Enterprises and financial institutions use the A2P SMS service in the areas of mobile marketing, mobile transactions, security, customer relationship management (“CRM”) and enterprise resource planning (“ERP”). Research And Markets (www.researchandmarkets.com) estimated the market size of the A2P messaging business to be US\$53.07 billion globally in 2013 and growing at a compounded annual growth rate of 4.2% till 2020.

GINSMS’s A2P messaging business started generating revenue in the month of April 2014. Revenue for the first quarter ended June 30, 2014, second quarter ended September 30, 2014, third quarter ended December 31, 2014 and fourth quarter ended March 31, 2015 were \$78,115, \$104,836, \$307,127 and \$627,535 respectively. Revenue for the current quarter ended June 30,

2015 was \$808,109. The table below shows the monthly revenue generated for the A2P business in the six months ended ending June 30, 2015:

Revenue (\$ thousand)	Jan 2015	Feb 2015	Mar 2015	Apr 2015	May 2015	June 2015
A2P Messaging Service	178	202	248	262	271	275

Selected Profit and Loss Information

Financial Highlights	Three-month period ended June 30, (Unaudited)		Twelve-month period ended March 31, (Audited)	
	2015	2014	2015	2014
Revenues \$				
A2P Messaging Service	808,109	78,115	1,117,613	-
IOSMS	-	24,179	34,820	129,360
S/W Product & Services	262,937	230,809	754,034	1,001,427
	1,071,046	333,103	1,906,467	1,130,787
Cost of sales \$				
A2P Messaging Service	778,004	73,049	1,037,629	-
IOSMS	-	43,044	87,061	215,566
S/W Products & Services	215,724	162,943	736,987	366,204
	993,728	279,036	1,861,677	581,770
Gross profit \$				
A2P Messaging Service	30,105	5,066	79,984	-
IOSMS	-	(18,865)	(52,241)	(86,206)
S/W Products & Services	47,213	67,866	17,047	635,223
	77,318	54,067	44,790	549,017
Gross margin %				
A2P Messaging Service	3.7%	6.5%	7.2%	-
IOSMS	-	(78.0%)	(150.0%)	(66.6%)
S/W Products & Services	18.0%	29.4%	2.3%	63.4%
	7.2%	16.2%	2.3%	48.6%
EBITDA ⁽¹⁾ \$	(249,742)	(234,194)	(1,258,120)	(1,157,946)
EBITDA margin	(23.3%)	(70.3%)	(66.0%)	(102.4%)
Net earnings \$	(836,676)	(732,425)	(6,775,846)	(2,972,208)
Net earnings margin	(78.1%)	(219.9%)	(355.4%)	(262.8%)
Net earnings (loss) per share \$				
Basic	(0.02)	(0.01)	(0.13)	(0.06)
Diluted	(0.02)	(0.01)	(0.13)	(0.06)

- (1) EBITDA is a non-GAAP measure related to cash earnings and is defined for these purposes as earnings before income taxes, depreciation & amortization (in both cost of sales and general and administration expenses), interest expenses and the accretion on obligations.
- (2) Non-operating income other than interest income is included in revenue, in accordance to the disclosure in the condensed interim consolidated financial report for the quarter ended June 30, 2015.

Outlook

The Company announces its financial forecasts for the six months ending December 31, 2015. The information included in this news release represents management's guidance as confirmed on August 17, 2015.

The table below shows the summary of the financial forecast highlights for the six months ending December 31, 2015:

Financial Highlights (\$ thousands)	Forecast	Actual	Forecast	Actual
	Jul – Sep 2015	Jul – Sep 2014	Oct – Dec 2015	Oct – Dec 2014
Revenues \$				
A2P Messaging Service	882,221	104,836	970,443	307,127
IOSMS	-	9,148	-	(11,105)
S/W Product & Services	260,342	199,465	260,343	139,304
	1,142,563	313,449	1,230,786	435,326
Cost of sales \$				
A2P Messaging Service	903,870	96,840	992,758	285,500
IOSMS	-	28,740	-	1,059
S/W Products & Services	180,347	174,290	183,027	123,547
	1,084,217	299,870	1,175,785	410,106
Gross profit (loss) \$				
A2P Messaging Service	(21,649)	7,996	(22,314)	21,627
IOSMS	-	(19,592)	-	(12,164)
S/W Products & Services	79,995	25,175	77,316	15,757
	58,346	13,579	55,001	25,220
Gross margin %				
A2P Messaging Service	(2.5%)	7.6%	(2.3%)	7.0%
IOSMS	-	(214.2%)	-	(109.5%)
S/W Products & Services	30.7%	12.6%	29.7%	11.3%
	5.1%	4.3%	4.5%	5.8%
Gross margin \$	58,346	13,579	55,001	25,220
Selling, general and administrative expenses	(398,894)	(487,480)	(343,002)	(404,768)
Operating (loss)	(340,548)	(473,901)	(288,001)	(379,548)
Non-operating income	100	120	100	944
Non-operating expenses	(558,264)	(383,800)	(201,660)	(442,470)
Ordinary (loss)	(898,712)	(857,581)	(489,561)	(821,074)
Extraordinary gains	-	-	-	-
Extraordinary losses	-	-	-	-

(Loss) before tax and minority interest	(898,712)	(857,581)	(489,561)	(821,074)
Income taxes	-	(217)	-	(64)
Minority interest	-	606	-	803
Net (loss) for the period	(898,712)	(857,192)	(489,561)	(820,335)
EBITA	(296,661)	(324,911)	(241,434)	(300,797)

- (1) EBITDA is a non-GAAP measure related to cash earnings and is defined for these purposes as earnings before income taxes, depreciation & amortization (in both cost of sales and general and administration expenses), interest expenses and the accretion on obligations.
- (2) Non-operating income included interest income and other non-operating income. Non-operating expenses included loss on foreign exchange, interest expense and the accretion on obligations.

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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