B-Scada Reports Solid Quarter, Despite Petrochemical Headwinds

CRYSTAL RIVER, FL--(Mar 9, 2016) - B-Scada, Inc. (OTCQB: MOBS) reports solid first quarter ("Current Quarter") results for fiscal 2015-2016. Our subsidiary in Spain was profitable for this quarter. We now have recurring revenue in a true SaaS (Software as a Service) model with our cloud based monitoring solutions. Our wireless sensor product line has passed initial testing. Drags on the business continue to be the disappearance of revenue from the petrochemical sector, and the skyrocketing costs of being a publicly reporting company.

Revenue for the current quarter is $404,182 down from the same period in the previous year of $496,144. Our Net Income (loss) for the quarter was ($35,730) an improvement from ($148,548) the year before.
Spain was profitable for the current quarter, business is brisk and we expect that Spain will continue to do well. Software revenue and related consulting for the current quarter was $93,177 an increase over the previous year's total of $90,731, petrochemical continues to be a drag.

Technology licensing has declined due to losses in the petrochemical sector, revenue is down to $311,005 from $405,413 in the same period last year. Some of our technology licensing agreements are due to start expiring over the next couple of years and will produce some headwinds for revenue growth.

Our cloud based services are now generating recurring revenue in a SaaS model. Deployments include cloud based monitoring of data centers, boilers and generators. The system is also being used for building automation for monitoring temperature and water detection. Another project that may come on line soon will be monitoring steam traps and man holes.

Our line of wireless sensors was to move into manufacturing, with a target completion date of March 31. Testing of the units and feedback from our system integrators indicated that the current range of the units (100-400ft) may not be adequate for many applications. The communications of the units are now being reworked to more powerful chips which will increase the range. These more powerful chips will result in the units requiring FCC testing and certification. The shipping dates of the sensors is expected to slip by 8-10 weeks. Our plans now are for a formal launch to be done at the national Sensors Expo and Conference June 21-23, 2016 at the McEnery Convention Center, San Jose, CA. We do not yet know how much of a boost our new line of sensors and related monitoring services will add to our annual revenue.

Due to the low price of oil, revenue from the petrochemical sector has completely disappeared. This revenue accounted for more than 50% of our revenue in fiscal 2013-2014. The disappearance of this revenue resulted in the company making some substantial reductions in expenditures to bring our expenses in line with our new revenue reality. Staff cuts have been done and marketing budgets reduced. Our efforts have been extensive, expenditures for the current quarter were just $453,794 a considerable drop from $710,174 for the same period the previous year. Despite our efforts our burn rate still exceeds our current revenue. The only place left for significantly reducing expenditures is in our costs of being a public reporting company. SEC reporting related expenses are almost 10% of our current revenue and over the past several years have cost the company approximately $1,000,000, money that could have been used for growth. In addition, we believe the transparency of being a public company may be discouraging some companies with larger projects from doing business with us, adversely affecting revenue and opportunity.

It is an exciting time for the company. We are moving from strictly a SCADA software company (Supervisory Control and Data Acquisition) to a broader business with cloud based services, integrated hardware and a global presence. As the IoT (Internet of Things), IIoT (Industrial Internet of Things), and Smart City efforts gain momentum, B-Scada will be very well positioned for growth and opportunity. We would like to thank Yorkmont Capital Partners, LP and our current investors for their support.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

B-SCADA, INC.

CONSOLIDATED BALANCE SHEETS

	January 31, 2016 (Unaudited)	October 31, 2015
Assets		
Current Assets		
Cash and Cash Equivalents	$ 1,437,974	$ 840,777
Accounts Receivable - Net	70,620	58,943
Accrued Revenue	29,300	217,050
Inventory	--	219
IVA Tax Receivable - Net	25,750	29,197
Prepaid Expenses and Other Current Assets	51,659	34,334
Total Current Assets	1,615,303	1,180,520
Property and Equipment - Net	219,681	225,165
Other Assets		
Intangible Assets	373,945	314,735
Deferred Income Tax	1,076,551	1,061,824
Security Deposits	1,554	1,555
Total Other Assets	1,452,050	1,378,114
Total Assets	$ 3,287,034	$ 2,783,799
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts Payable and Accrued Liabilities	$ 218,449	$ 208,592
Deferred Revenue	45,849	194,964
Mortgage Payable - Current	17,099	16,887
Total Current Liabilities	281,397	420,443
Long Term Liabilities		
Mortgage Payable - Less Current Portion	81,185	85,540
Total Liabilities	362,582	505,983
Commitments and Contingencies	--	--
Stockholders' Equity		
Preferred Stock, $0.0001 Par Value, 5,000,000 Shares Authorized and Unissued	--	--
Common Stock, $0.0001 Par Value; 100,000,000 Shares Authorized; Shares Issued and Outstanding, 30,593,414 at January 31, 2016 and 27,243,414 October 31, 2015	3,059	2,724
Additional Paid in Capital	8,655,684	7,972,856
Accumulated Other Comprehensive Loss	(27,419)	(26,622)
Accumulated Deficit	(5,706,872)	(5,671,142)
Total Stockholders' Equity	2,924,452	2,277,816
Total Liabilities and Stockholders' Equity	$ 3,287,034	$ 2,783,799

B-SCADA, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
[UNAUDITED]

	For the Three Months Ended January 31,	
	2016	2015
Revenue		
Technology Licensing and Support	$ 311,005	$ 405,413
Commercial Software	93,177	90,731
Total Revenues	404,182	496,144
Operating Expenses		
Technology Licensing and Support	--	40,880
Commercial Software	124,277	131,144
Sales and Marketing	87,026	145,309
Research and Development	52,239	26,129
General and Administrative	184,975	362,370
Depreciation and Amortization	5,277	4,342
Total Operating Expenses	453,794	710,174
Operating Loss	(49,612)	(214,030)
Other Income (Expenses)		
Interest Income	418	628
Interest Expense	(1,263)	(1,464)
Total Other Income (Expenses) - Net	(845)	(836)
Loss Before Income Taxes	(50,457)	(214,866)
Benefit from Income Taxes	(14,727)	(66,318)
Net Loss	(35,730)	(148,548)
Other Comprehensive Loss		
Foreign Currency Translation Adjustment	(797)	(2,998)
Comprehensive Loss	$ (36,527)	$ (151,546)
Basic and Diluted Loss Per Common Share	$ --	$ (0.01)
Weighted-Average Common Shares Outstanding - Basic and Diluted Loss Per Share	27,971,675	27,243,414

B-SCADA, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
[UNAUDITED]

	For the Three Months Ended January 31,	
	2016	2015
Operating Activities		
Net Loss	$ (35,730)	$ (148,548)
Adjustments to Reconcile Net Loss to Net Cash		
Provided by (used in) Operating Activities:		
Depreciation and Amortization	5,277	4,342
Deferred Income Tax Benefit	(14,727)	(66,318)
Stock-Based Compensation	13,163	--
Changes in Assets and Liabilities:		
(Increase) Decrease in:		
Accounts Receivable	(11,677)	(89,892)
Accrued Revenue	187,750	200,500
Inventory	219	--
IVA Tax Receivable-Net	3,447	(27,782)
Prepaid Expenses and Other Current Assets	(17,325)	182,670
Security Deposits	--	(57)
Increase (Decrease) in:		
Accounts Payable and Accrued Liabilities	9,857	84,801
Deferred Revenue	(149,115)	310,744
Net Cash Provided by (Used in) Operating Activities	(8,861)	450,460
Investing Activities		
Payment for Intangible Asset	(59,210)	--
Acquisition of Property and Equipment	--	(1,505)
Net Cash Used in Investing Activities	(59,210)	(1,505)
Financing Activities		
Payment of Mortgage Payable	(4,143)	(3,940)
Proceeds from Sale of Common Stock	670,000	--
Net Cash Provided by (Used in) Financing Activities	665,857	(3,940)
Foreign Currency Translation Effect	(589)	(2,998)
Change in Cash and Cash Equivalents	597,197	442,017
Cash and Cash Equivalents - Beginning of Period	840,777	1,144,915
Cash and Cash Equivalents - End of Period	$ 1,437,974	$ 1,586,932
Supplemental Disclosures of Cash Flow Information		
Cash paid during the period for:		
Interest	$ 1,263	$ 1,464
Income Taxes	$ --	$ --

(3) New Authoritative Accounting Guidance (Continued)

Management does not believe that any other recently issued but not yet effective accounting pronouncements, if adopted, would have an effect on the accompanying consolidated financial statements.

(4) Property and Equipment

Property and equipment consists of the following:

	January 31, 2016 [Unaudited]	October 31, 2015	Useful Lives
Land	$ 15,531	$ 15,531	--
Building and Improvements	176,071	176,071	7-40 years
Computer Equipment	53,055	53,081	5 years
Office Furniture and Equipment	43,751	43,900	5-7 years
Software	44,351	44,383	3 years
Total	332,759	332,966	
Less: Accumulated Depreciation and Amortization	(113,078)	(107,801)	
	$ 219,681	$ 225,165	

(5) Intangible Assets

Intangible assets consist of the following:

	January 31, 2016 [Unaudited]	October 31, 2015
Domain names	$ 114,735	$ 114,735
Technology development	259,210	200,000
	$ 373,945	$ 314,735

(6) Mortgage Payable

In February 2014, we purchased a new office facility and incurred a mortgage in the amount of $127,500 payable to the seller of the property. The balance is payable over 7 years in monthly payments of $1,802 which include interest at 5% per annum. The outstanding mortgage balance at January 31, 2016 and October 31, 2015 is $98,284 and $102,427, respectively.

Future maturities of long-term debt as of January 31, 2015 are as follows:

Twelve Months Ended January 31, (Unaudited)	
2017	$ 17,099
2018	17,974
2019	18,893
2020	19,860
2021	20,876
Thereafter	3,582
	$ 98,284

About B-Scada

B-Scada provides software and hardware solutions for the monitoring and analysis of real time data in the SCADA (Supervisory Control and Data Acquisition), IoT (Internet of Things) and Smart City domains. B-Scada systems are sold worldwide in various verticals including building automation, transportation, smart grid, manufacturing, agriculture and commerce. B-Scada solutions are deployed onsite and as cloud-hosted solutions in a SaaS (Software as a Service) model.

Contact for B-Scada:
Ron DeSerranno, CEO

rdeserranno@b-scada.com