

FOR IMMEDIATE RELEASE – January 30, 2017

## NAMASTE ANNOUNCES RECORD QUARTERLY REVENUE FOR Q1 2017

**Vancouver, British Columbia, Canada** – Namaste Technologies Inc. (“**Namaste**” or the “**Company**”) (CSE: N, FSE: M5BQ) is pleased to announce the filing of its unaudited quarterly financial statements, management’s discussion and analysis, and certification of the quarterly filings for the first quarter of fiscal 2017. The statements for the period can be accessed on SEDAR at [www.sedar.com](http://www.sedar.com).

The operational and financial highlights for the period include the following:

- Recorded record quarterly revenue of \$2,087,188, an increase of 77.6% from the first quarter of 2016;
- Generated gross profit of \$683,016, an increase of 75.9% from the first quarter of 2016;
- Expanded the customer list to over 250,000 individuals producing monthly traffic of approximately 600,000 site visits in November;
- Closed the acquisition of the assets of URT1 Limited, which comprised its Everyonedoesit business (“Everyonedoesit”) and raised approximately \$3.5 million of capital; and
- Appointed experienced members to the management team and board.

### Financial Results

During the financial reporting period from September 1, 2016 to November 30, 2016, the Company focused efforts on further expanding its traffic and customer base, growing revenues, integrating the asset acquisitions of VaporSeller and Everyonedoesit, and securing capital to expand operations. Because of these focused initiatives, the Company achieved the following financial results:

- Net revenue of \$2,087,188 (Q1 2016 – \$1,175,341), an increase of 77.6% as compared to the first quarter of 2016. These financial results include net revenues for a 44-day period from the Everyonedoesit asset acquisition, which produced revenue of \$316,460. On a gross basis (prior to adjustments for refunds, discounts and charge backs), the revenues for the period were \$2,460,738, an increase of \$373,550 to net revenues. These adjustments are anticipated to normalize as the Company has now integrated the acquisition of VaporSeller and URT1, which is anticipated to result in a higher net revenue going forward.
- Cost of sales of \$1,404,172 (Q1 2016 – \$787,008), which resulted in a gross profit of \$683,016 (Q1 2016 – \$388,333). As a percentage of sales, the gross margin was 32.7% compared to 33.0% in the first quarter of 2016. Going forward, the Company is optimizing its product mix to include higher margin glassware, private label products such as the Guru™ and related product accessories,

products sourced from larger volume manufacturers, and driving higher average purchase prices from the VaporSeller and URT1 acquisitions.

- Operating costs of \$1,580,087 (Q1 2016 – \$513,977), an increase of 207.4% as compared to the first quarter of 2016. This increase in operating costs includes non-cash and currency expenses of \$71,416. These costs relate to share based compensation and foreign exchange movements in the Company's source currencies including the British Pound and Euro. In addition, were non-recurring legal expenses of \$175,000 related to the URT1 acquisition and financing. After adjusting for these numbers, management estimates total operating costs of \$1,333,671 for the period. In addition to these expenditures, the Company has also incurred costs associated with positioning the business for scalability and the administration of its public listing.
- Comprehensive loss of \$(897,072) (Q1 2016 – \$(125,644)). Going forward, management anticipates sales growth to strengthen from organic revenue generation and completed acquisitions, cost of sales to reduce due to higher volume purchases and optimization of the product portfolio, and operating costs to reduce as a result of normalized operations, which management anticipates to result in profitability and positive cash flow generation in fiscal 2017.

### **Management Commentary**

Sean Dollinger, President and CEO of Namaste, comments: “The first quarter of 2017 represents substantial financial progress. In the first quarter, our team obtained these results while integrating multiple acquisitions and fulfilling orders during some of our most active months. Going forward, we continue to streamline operations, including optimizing our websites, human resources, and distribution networks, and believe our financial results will continue to reflect the value we have created for shareholders.”

### **About Namaste Technologies Inc.**

Namaste Technologies Inc. is an emerging leader in vaporizer and accessories space. Namaste has 26 ecommerce retail stores in 20 countries, offers the largest range of brand name vaporizers products on the market and is actively manufacturing and launching multiple unique proprietary products for retail and wholesale distribution. The Company is currently focused on expanding its product offering, acquisitions and strategic partnerships, and entering new markets globally.

On behalf of the Board of Directors

“Sean Dollinger”

Chief Executive Officer

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Further information on the Company and its products can be accessed through the links below:

[www.namastetechnologies.com](http://www.namastetechnologies.com)

[www.namastevaporizers.com](http://www.namastevaporizers.com)

[www.namastevaporizers.co.uk](http://www.namastevaporizers.co.uk)

[www.vaporseller.com](http://www.vaporseller.com)

[www.everyonedoesit.com](http://www.everyonedoesit.com)

[www.everyonedoesit.co.uk](http://www.everyonedoesit.co.uk)

**FORWARD-LOOKING INFORMATION** This press release contains forward-looking information based on current expectations. These statements should not be read as guarantees of future performance or results. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those implied by such statements. Although such statements are based on management's reasonable assumptions, Namaste assumes no responsibility to update or revise forward looking information to reflect new events or circumstances unless required by law. Although the Company believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because the Company can give no assurance that they will prove to be correct. Since forward looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. These statements speak only as of the date of this press release. Actual results could differ materially from those currently anticipated due to a number of factors and risks including various risk factors 5 discussed in the Company's disclosure documents which can be found under the Company's profile on [www.sedar.com](http://www.sedar.com). This press release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E the Securities Exchange Act of 1934, as amended and such forward looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The CSE has neither reviewed nor approved the contents of this press release.