

**Suite 2300 – 550 Burrard Street  
Vancouver, BC, V6C 2B5  
Main: + 1 (786) 389-9771**

**Fax: + 1 (604) 685. 8045**

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

[**info@namastevapes.com**](mailto:info@namastevapes.com)

**Listed on the Canadian Securities Exchange CSE: N Germany FSE: M5BQ**

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**Namaste Signs Definitive Agreement to Acquire URT1 Limited and Forms World’s Largest E-Commerce B2C Vaporizer Company**

**Vancouver, British Colombia, Canada -** Namaste Technologies Inc. (“Namaste” or the “Company”) (CSE: N, FSE: M5BQ) reports that it has entered into a Definitive Asset Purchase Agreement (the “Agreement”) with URT1 Limited and its wholly owned US subsidiaries (collectively referred to as “URT1”) to create the world’s largest e-commerce company focused on sales of vaporizers and accessories. This most recent acquisition, in combination with the acquisition of VaporSeller, reiterates Namaste’s strategic position as the leading consolidator of the industry.

URT1 is one of the top 5 domains in the world for the sale of vaporizers, pipes and accessories. The company operates two websites, [www.everyonedoesit.com](http://www.everyonedoesit.com) and [www.everyonedoesit.co.uk](http://www.everyonedoesit.co.uk), and retails through select third-party marketplaces. Unaudited 12 month trailing revenues were approximately C$3.2 million for the period ended August 31, 2016 with a gross profit margin of 53%. URT1 has been in business since 2000.

**Strategic Rationale**

The strategic rationale for the transaction includes:

* The acquisition positions Namaste as the largest business to consumer e-commerce retailer of vaporizers and accessories globally, with combined proforma unaudited 12 month trailing revenues of approximately C$10 million for the period ended August 31, 2016, total monthly site traffic of over 550,000 visitors. The combined company will operate 26 websites in 20 countries with distribution centers in North America, South America, Europe and Asia Pacific.
* The combined company will have over 3,000 products for sale; the largest product offering of any company in the industry. The complementary product offerings of both companies creates significant revenue expansion potential through cross selling across all sites. In addition, Namaste will utilize its proven search engine optimization strategies to enhance site traffic, conversions and average selling prices of URT1. URT1 currently converts its traffic at 0.8% in the US compared to Namaste at 2.2%. Improving URT1’s conversion rate to 1.6% would double the revenue of the site, which currently generates 75% of URT1’s revenues.
* The higher gross margins of URT1 are beneficial to the gross margins of the combined entity. The opportunity to further improve the gross margin will result from increased buying power with the existing vendor base and focus on private label sales. The combined entity will generate a gross profit margin of over 40%.
* Further profit contribution is expected from the reduction in overhead costs, which will enhance earnings before interest, depreciation and amortization. This is due to a shared technology and e-commerce platform, lean centralised management team, and outsourcing of staff functions to India. The resulting increased cash flow generation creates a financial platform for further industry consolidation.
* Following from the acquisitions of VaporSeller and URT1, revenues for the fiscal year ending August 31, 2017 are expected to be C$15.7 million and C$24.9 million for the fiscal year ending August 31, 2018. It is expected that the company will generate positive earnings before interest, depreciation and amortization by December 31, 2016. It is anticipated that Namaste's revenues will increase in line with projected growth for the industry of 35% per year for the period 2014 - 2020 (Source: Wells Fargo Research).
* The transaction broadens the management and board profile of the Company with the addition of experienced executives with extensive global industry expertise. Namaste will benefit from decades of financial, accounting, and administrative experience, and deep relationships with product vendors that URT1 has cultivated since 2000.

**Terms of the Transaction and Conditions to Closing**

Pursuant to the terms of the Agreement, Namaste will acquire all the website domains, the customer list of over 40,000 individuals, the vendor list of over 197 vendors, intellectual property and related technologies, in exchange for common shares of Namaste. The purchase price will be calculated as one-times the 12-month trailing gross revenue of URT1, subject to adjustments for inventory, wind down costs, and assumed liabilities including a secured note of approximately C$500,000 to be transferred at closing of the transaction. The purchase price will be funded by issuing Namaste common shares at a deemed value of C$0.12.

Closing of the transaction is subject to the following:

* Receipt of all director and requisite regulatory approvals relating to the transaction, including without limitation, CSE approval if required;
* Completion of all financial and legal due diligence; and
* Completion of a minimum capital raise of C$1,500,000 on satisfactory terms to both parties.

Liberty North Capital Corporation is acting as an advisor to URT1 in connection with the transaction.

**Management and Board Appointment**

Upon completion of the transaction, Philip van den Berg will be appointed as Chief Financial Officer and Director, Kiran Sidhu will be appointed as an Independent Director and Cameron Guerrero will join as Executive Director, Merchandising and Global Operations.

Philip van den Berg graduated cum laude in economics in 1985 at the University of Amsterdam. After graduating, Mr. van den Berg joined Pierson, Heldring & Pierson in the Netherlands as investment analyst. Most of his experience on the sell side was with Goldman Sachs in London where he joined when its European equities division was established in 1987. In 1995 Philip went to Deutsche Morgan Grenfell to participate in re-establishing its European equities division. During his career on the sell-side, he held various positions within research departments as investment analyst, supervisory analyst, member of the investment policy committee and head of research. In 1997 Philip moved to the buy-side as co-founder of Olympus Capital Management, one of the first European hedge funds (long short equity). In 2006 Philip co-founded Taler Asset Management, a wealth management company based in Gibraltar. Currently Philip is a non-executive director at Taler. Since 2014 Philip has been an active investor in various start-up companies in Europe and the US where he has held positions as director and CFO, including Golden Leaf Holding (CSE:GLH) and URT1. He has implemented corporate governance and administrative systems, has been involved in a number of capital market transactions, oversaw a public listing and has been involved in mergers and acquisitions.

Kiran Sidhu graduated with and A.B. honors in computer science in 1985 from Brown University and an MBA in Finance from the Wharton School of Business in 1987. Mr. Sidhu was a manager with Price Waterhouse’s strategic consulting group in Los Angeles and a senior associate with Merrill Lynch Capital Markets in mergers and acquisitions in New York. Mr. Sidhu served as CFO of On Stage Entertainment and oversaw its initial public offering on NASDAQ. On Stage was subsequently sold to McCown De Leeuw & Co. Mr. Sidhu was a founder and the finance director of Nano Universe PLC where he oversaw its listing on the LSE-AIM. In 2003 he built Aspen Communication located in New Delhi, India into an outsourcing company skilled in e-commerce fraud detection, accounting, customer and systems support and data analytics to large customers included Party Gaming (LSE:PRTY). Mr. Sidhu currently serves as CEO of URT1.

Cameron Guerrero has over 14 years of retail e-commerce and IT experience. He has worked for several technology and e-commerce companies, including 10 years at Fortune 500 ranked Zappos.com. Throughout his career, he has gained experience in several core e-commerce functions, including warehouse operations, purchasing, systems configuration and training, site merchandising, marketing, and customer service. As Buying Manager at Zappos.com, he managed a buying team with portfolios totaling US$25 million and received several awards for achieving millions of dollars in incremental sales growth. Throughout his career, he has successfully led international and domestic teams on large scale systems integrations including the integration between Zappos.com and parent company Amazon.com. Currently, Mr. Guerrero leads the operations of URT1, as Director, Merchandising and Global Operations.

Darren Collins will remain with the Company as Executive Vice President, Corporate Development.

**Management Commentary**

Mr. Sean Dollinger, President and CEO of Namaste, comments: “The acquisition of URT1 represents the realization of our objective to become the largest business to consumer e-commerce company focused on vaporizers and accessories. This transaction also further solidifies our position as the leading consolidator of the industry, provides a scalable and profitable platform for further consolidation, brings new product lines to our company, and strengthens our board and management team. I would like to thank all those individuals responsible for bringing this transaction together and look forward to working with the management of URT1.”

**About URT1**

Founded in 2000, URT1 Limited is one of the longest standing and best known online retailers of vaporizers, pipes and accessories in the UK. The company operates the web portals [www.everyonedoesit.com](http://www.everyonedoesit.com) and [www.everyonedoesit.co.uk](http://www.everyonedoesit.co.uk) and carries over 2,500 products, including the latest vaporizers, pens, water pipes and an extensive line of accessories, which is one of the largest product selections available in the industry.

**About Liberty North Capital Corporation**

Liberty North Capital Corp. (“Liberty North”) is a transaction oriented, private investment banking firm, with offices in Toronto and Montreal. Established in response to the demand for high quality banking, merger and acquisition, and advisory services for small cap companies, Liberty North offers hands-on investment banking experience emphasizing practical and innovative solutions necessary to complete transactions in today’s sophisticated financial markets. Liberty North is also an Exempt Market Dealer registered in the provinces of Ontario and Quebec.

**About Namaste Technologies Inc.**

Namaste Technologies Inc. is an emerging leader in vaporizer and accessories space. Namaste has 26 e-commerce 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”

Sean Dollinger

Chief Executive Officer

Further information on the company and its products can be accessed through the link 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)

**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 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