



FOR IMMEDIATE RELEASE – August 3, 2016

Namaste Announces Third Quarter Financial Results

Toronto, Ontario, Canada – Namaste Technologies Inc. (“Namaste” or the “Company”) has reported financial results for the third quarter and nine month period, each ending May 31, 2016. The financial statements and management discussion & analysis for the period can be accessed on SEDAR at www.sedar.com.

During the quarter, the Company focused efforts on transitioning from pay-per-click advertising to inbound organic e-commerce growth strategies, which generated Q3 2016 e-commerce revenue of \$738,199 and gross profit was \$353,361, representing a 47.9% gross profit margin. For the nine month period, revenue was \$2,611,871 and gross profit was \$1,058,154, representing a 40.5% gross profit margin. For the 2015 fiscal year, the comparable Q3 revenue was \$1,087,256 and the comparable revenue for the nine month period was \$3,471,420.

Looking forward to the last quarter of 2016 and first half of 2017, the Company anticipates revenue and gross profit to increase significantly due to further traction with its current inbound e-commerce market initiatives, commercialization of the Guru[™], acquisition of VaporSeller, and seasonal increase of sales activities during Black Friday, Cyber Monday and the holiday season.

Third Quarter Financial Highlights

- Revenue of \$738,199 represents a 32.1% decline over Q3 2015 and sequential increase of 5.7% over Q2 2016. The variance in revenue is indicative of the Company's transition from expensive pay-per-click advertising to inbound organic e-commerce growth strategies which should result in stable revenue performance and decreased advertising spending.
- Gross profit of \$353,361 represents a 47.9% gross profit margin for Q3 2016 versus 42.3% for Q3 2015. While gross profit declined versus Q3 2015 by 23.1%, gross profit sequentially increased by 11.6% compared to Q2 2016 and gross profit margin improved from 45.3% to 47.9%. The sequential improvement in margin is indicative of the Company's increased focus on price controls and more favorable terms from manufacturers.
- Operating costs of \$716,855 represent a 97% increase over Q3 2015 and a 19.4% sequential decrease over Q2 2016. The majority of the increase in operating costs compared to Q3 2015 is due to nonrecurring costs associated with taking the Company public and share-based compensation.
- Pre-tax loss of \$363,494 is reflective of the increased operating costs during the period, being primarily due to listing costs and share-based compensation.

Third Quarter Operational Highlights

- Transitioned from pay-per-click advertising to inbound organic e-commerce growth strategies focused on domain authority, best-in-class natural rankings, trust of brand growth, client population expansion, and sales conversion optimization. Organic inbound marketing increases the recurring nature of sales and places less dependence of major search engines.

- Maintained #1 brand trust ranking in the vaporizer space, as ranked by Trust Pilot, and achieved approximately a 3% conversion ratio over the period.
- Entered binding letter of intent for the acquisition of VaporSeller, an e-commerce platform for the distribution of vaporizers and accessories with an unaudited revenue of US\$3.4 million in 2015. Subsequent to the quarter ended May 31, 2016, the Company closed the acquisition on July 15, 2016.
- Placed commercial order quantities for the Guru™, the Company's first proprietary vaporizer capable of seamlessly vaporizing dry herbs, concentrates and liquids.

Mr. Sean Dollinger, President and CEO of Namaste, comments: "The first nine months of the Company's fiscal 2016 has been transformational. When I reflect back at the accomplishments of our team over this period, including taking our company public, completing our first external capital raises, securing our first acquisition and implementing long term and sustainable e-commerce marketing strategies, my personal sense of optimism and excitement for the future of Namaste is confirmed. As always, I would like to thank all the stakeholders of Namaste for their support as we continue to move forward with our objective of creating the leading international vaporizer and accessories company globally."

About Namaste Technologies Inc.

Namaste Technologies Inc. is an emerging leader in vaporizer and accessories space. Namaste has over 30 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

www.namastevaporizers.com

www.namastevaporizers.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 discussed in the Company's disclosure documents which can be found under the Company's profile on 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