



# **Geyser Announces Financial Results for the 8-months ended March 31, 2019 and the filing of Amended and Restated Interim Financial Statements**

July 29, 2019 – Vancouver, B.C. – Geyser Brands Inc (TSXV:GYSR) (“Geyser Brands” or the “Company”) today released its post-RTO audited financial statements for the 8-months ended March 31, 2019 (the “Annual Financial Statement”) and accompanying management discussion and analysis. The Annual Financial Statement represents the Company’s transitional fiscal year following the Company’s RTO and change in the fiscal year end, as further described in the Notice of Change in Corporate Structure filed on the Company’s profile on SEDAR. Copies of the Annual Financial Statement and corresponding management discussion and analysis are available in full under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

## **MANAGEMENT COMMENTARY**

Andreas Thatcher, CEO commented, *“We are pleased with our progress in the first 8 months since completing the RTO. Our subsidiary, 0957203 B.C. Ltd. dba Apothecary Botanicals, through its strong management, has been successful in bringing its facility to GMP-compliant standards for manufacturing and processing and in obtaining Health Canada licensing for Cultivation and Standard Processing. The achievement of these milestones represented the foundation necessary for Geyser to extend products into the cannabis space and generate revenues through this highly regulated distribution channel. Geyser took the time necessary to build its compliance framework and is now ready to execute on its strategic plan of building cannabis-led brands that improve everyday lives. We are very excited about the opportunities created by the careful investments*

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*made in the past 8 months and look forward to capitalizing on the Canadian cannabis platform we have built.”*

## HIGHLIGHTS

The following is select financial information contained in the Annual Financial Statement, which was prepared in accordance with IFRS as issued by the International Accounting Standard Board and Part 1 of the Chartered Professional Accountants of Canada Handbook – Accounting. All dollar amounts are Canadian, unless otherwise noted.

	For the periods	
	For the 8-months ended March 31, 2019	From Incorporation on December 26, 2017 to July 31, 2018
Operating Expenses	\$1,875,244	\$886,406
Operating Loss	(\$1,875,244)	(\$886,406)
Other Income and (Expense)	(19,706,367)	25,000
Net Loss for the period	(\$21,581,611)	(\$861,406)
Loss per share		
Basic	\$(2.47)	(\$0.15)
Diluted	\$(2.47)	(\$0.15)
Weighted average number of common shares outstanding	8,725,004	5,782,941

  

	March 31, 2019	July 31, 2018
Total Assets	\$4,890,422	\$4,504,411
Total Liabilities	\$1,047,269	\$1,099,012
Total Shareholders' Equity	\$3,843,153	\$3,405,399

## ONE-TIME NON-OPERATING, NON-CASH LOSS ARISING FROM RTO

On December 20, 2018, the Company (formerly Kanzen Capital Corp.) completed the acquisition of all of the issued and outstanding shares of the private company, Geyser Management Inc. (“Geyser”) and its wholly owned subsidiary 0957102 BC Ltd. (“D&G”) through a reverse takeover arrangement (“RTO”). The share exchange, as further particularized in the Company’s Filing Statement filed on the Company’s profile on SEDAR, in the RTO gave rise to a non-cash, non-operating loss of \$19,712,648 in reflecting the agreed shareholder equity for the transaction.

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The fair value of the acquired assets and liabilities assumed is as follows:

**Consideration:**

10,599,717 Consideration Shares at \$0.60 per share	\$ 6,359,830
22,500,000 Performance Shares at \$0.60 per share	13,500,000
Transaction costs – 220,000 shares at \$0.60 per share	132,000
Transaction costs – 150,000 warrants exercisable at \$0.60	47,664
Transaction costs – cash	30,975
<b>Total consideration</b>	<b>\$ 20,070,469</b>

**Net Assets acquired:**

Cash and cash equivalents	\$ 364,537
GST receivable	2,485
Prepaid expenses	30,975
Accounts payable and accrued liabilities	(40,176)
<b>Total net assets acquired</b>	<b>357,821</b>
<b>Loss on RTO transaction</b>	<b>19,712,648</b>
<b>Total Consideration</b>	<b>\$ 20,070,469</b>

As a result, IFRS 2- Share-based Payment is applied to a reverse acquisition when the accounting acquiree does not constitute a business as defined under IFRS 3. This is common when the transaction involves a CPC because the entity is normally a shell company, with no operations, is looking to complete a qualifying transaction over a specified period of time and would not meet the definition of a business.

## FINANCINGS

During the 8-month period, the Company completed equity financing that resulted in total proceeds from private placements of \$2,015,140 and \$76,500 from the exercise of warrants. The Company intended or intends to use the proceeds of financings to fund the completion of capital projects, potential acquisitions, including partnerships and joint ventures, for research and development, to commercialize the Company's manufacturing capabilities, and for working capital purposes.

## AMENDED INTERIM FINANCIALS

The Company also announces its filing of amended and restated Unaudited Condensed Consolidated Interim Financial Statements for the three and six month periods ending January 31, 2019 ("January Interim Financials") and corresponding management discussion and analysis for such period.

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The January Interim Financials have been revised to correct the accounting treatment of the RTO transaction where it was determined by management, and agreed to by the Company's auditors, Buckley Dodds LLP, that an accounting error occurred resulting in the overstatement of the Company's assets and understatement of the Company's net loss for the period. The share exchange in the RTO transaction falls under the guidance of International Financial Reporting Standard ("IFRS") 2. The RTO transaction represented a share-based payment, resulting in a non-cash, non-operating loss of \$19,712,648 that was incorrectly accounted for in the January Interim Financials as being the purchase of an intangible asset.

The restated January Interim Financials and the corresponding management discussion and analysis for such period are available on the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com). The restated January Interim Financials replaces and supersedes the previously filed January Interim Financials, and the corresponding amended management's discussion and analysis replaces and supersedes the previously filed corresponding management's discussion and analysis.

## **ABOUT GEYSER BRANDS**

Geyser Brands Inc. builds health-based hemp CBD consumer products in the nutraceutical, cosmetics, food & beverage and pet sectors world-wide. Geyser Brands owns a Health-Canada approved Licensed Producer (LP) in Port Coquitlam, B.C. that holds cultivation and processing licenses and is anticipating its R & D and sales licenses. Geyser Brands will utilize both of its GMP-licensed facilities in British Columbia for the manufacturing and distribution of its hemp and CBD-based products internationally. For more information, visit Geyser Brands' website at [www.geyserbrands.com](http://www.geyserbrands.com).

On Behalf of the Board of Directors

Andreas Thatcher

*Director and CEO*

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## **CAUTIONARY AND FORWARD-LOOKING STATEMENTS**

This news release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. These statements relate to future events or future performance. All statements other than statements of historical fact may be forward-looking statements or information. Forward-looking statements and information are often, but not always, identified by the use of words such as "appear", "seek", "anticipate", "plan", "continue", "estimate", "approximate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", "would" and similar expressions.

Forward-looking statements and information are provided for the purpose of providing information about the current expectations and plans of management of the Company relating to the future. Readers are cautioned that reliance on such statements and information may not be appropriate for other purposes, such as making investment decisions. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the risks associated with the marijuana industry in general such as operational risks in growing; competition; incorrect assessment of the value and potential benefits of various transactions; ability to access sufficient capital from internal and external sources; failure to obtain required regulatory and other approvals and changes in legislation, including but not limited to tax laws and government regulations.

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