SPoT Coffee Announces Profit and Other Financial Results for Q3, 2017

TORONTO, Nov. 21, 2017 /CNW/ - **SPOT COFFEE (CANADA) LTD. (TSX-V: SPP) ("SPoT" or the "Company")** has released its financial and operating results for the third quarter ended September 30, 2017. SPoT's unaudited consolidated financial statements for the three and nine months ended September 30, 2017, together with its management discussions and analysis, are available on SEDAR under the Company's name.

The Company is pleased to report that its third quarter operations this year have resulted in a company-wide net earnings of $287,688, and a comprehensive net earnings of $328,212 after considering the currency exchange factor, as well as an EBITDA (earnings before interest, taxes, depreciation and amortization) of $452,977. These financial results have further improved the company-wide EBITDA to a positive position of $590,192 for the nine months ended September 30, 2017.

The Company is also pleased to report that this is the second consecutive quarter whereby its operations have resulted in company-wide net profit this year.

In its news release of November 7, 2017, the Company confirmed that the year-over-year same-store sales of its corporate-owned and franchise cafés have increased during the past three months; 26% at SPoT Transit, 22% at SPoT Glens Falls, 10% at SPoT Saratoga Springs, and 12% at SPoT Hamburg.

While maintaining its focus on high quality food, beverages and customer service, the Company's management also continued to drive SPoT's operating costs down. The reductions in costs during the nine months ended September 30, 2017, as compared with those ended in the same period of 2016, are as follows:

- The Company's cost of sales decreased by $887,567, from $3,133,242 to $2,245,675. Accordingly, cost of sales as a percentage of revenue dropped to 32.3% in 2017, down by 5.4% from 2016. In order to achieve this result, SPoT implemented a streamlined system to optimize waste control at the café level.

- Gross profit as a percentage of revenue increased to 67.7%, up from 63.5%.

- Interest and accretion expenses decreased by $173,565, from $381,586 to $208,021.

- Office and general expenses decreased by $261,611, from $502,149 to $240,538.

- Professional fees, consulting fees and travel expenses were collectively reduced by a total of $145,140, from $339,596 to $194,456.

- Salaries and wages decreased by $271,784, from $3,404,329 to $3,132,545.

- Occupancy costs decreased by $169,996 from $1,115,002 to $975,006. These costs include rent, insurance, maintenance, utilities and janitorial expenses.

During this third quarter, and subsequently in October of 2017, the Company made partial payments of the Long-Term Debt and Convertible Debenture in the total principal amount of $427,667.

"Net earnings are up by $298,021 this quarter," said Anton Ayoub, President and CEO of the Company, "This is the first time SPoT has reported consecutive Q2 and Q3 net earnings, and we are very pleased with the overall success of our cost reduction and sales improvement initiatives. Profitability is expected to continue to increase as we complete the development of our new franchise cafés this year and move ahead with the development of more corporate and franchise cafés in New York, Connecticut and Massachusetts next year."

About SPoT Coffee

SPoT Coffee trades on the TSX Venture Exchange under the symbol SPP. SPoT designs, builds, operates and franchises community oriented cafés and express cafés in New York State. SPoT's community cafés provide its customers with the highest quality service, signature made-to-order meals and award-winning micro-roasted coffee. Each SPoT café is distinctively designed to suit its local neighbourhood, creating a warm and friendly gathering place for the community. SPoT's commercial business focuses on the sale of roasted coffee beans to food service and grocery chains, business offices and third party resellers such as universities and hospitals.

Forward Looking Statements

Except for statements of historical fact relating to the Company, certain information contained herein constitutes forward-looking statements. In particular, forward-looking information in this press release includes, but is not limited to, the potential use of proceeds of the financing that is the subject of this release. Although we believe that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. We cannot guarantee future results, performance or achievements. Consequently, there is no representation that the actual results achieved will be the same, in whole or in part, as those set out in the forward-looking information.

Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. The forward-looking information contained in this news release is expressly qualified by this cautionary statement. Except as required by applicable securities laws, the Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change. The reader is cautioned not to place undue reliance on forward-looking statements.

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