



## Naturally Splendid Reports Second Quarter Results for 2018

Vancouver, British Columbia, August 23, 2018 - Naturally Splendid Enterprises Ltd. ("Naturally Splendid", "NSE" or "the Company") (FRANKFURT:50N) (TSX-V:NSP) (OTC:NSPDF) announces its financial results for the six months ended June 30, 2018. All amounts are in Canadian dollars and are prepared in accordance with International Financial Reporting Standards.

Naturally Splendid recorded a net loss of \$1,565,098 during the six months ended June 30, 2018, compared to a loss of \$2,029,552 during the six months ended June 30, 2017. The decrease in net loss was due to the sale of POS BPC Manufacturing Corp. which provided for a gain on sale of \$1,535,096, offset by and increase in Selling and distribution costs of \$5,273 and Administrative expenses of \$1,041,721 mainly due to the addition of the Prosnack business which were not included in the expenses in the comparative period, as the acquisition occurred on October 18, 2017.

Naturally Splendid recorded sales of \$804,502 during the six months ended June 30, 2018, compared to \$1,068,949 in for the six months ended June 30, 2017. This revenue decrease was mainly due to the collapse of sales of bulk hemp seed to South Korea where the Company had recorded \$Nil bulk sales in the current quarter compared to \$245,400 in the six months of 2017. The additional sales generated from the acquisition of the Prosnack business was not enough to counter the loss bulk sales. Retail sales were off during the first six months whereas online sales remained consistent.

Cost of Sales during the six months ended June 30, 2018 was \$546,761, compared to \$798,304 in the six months ended June 30, 2017. The Company significantly changed its sales mix in 2018 with a reduction of exporting bulk seed sales, which, have been generally sold at a lower gross margin percentage.

Gross profits during the six months ended June 30, 2018 was \$257,741 (32% of sales) compared to \$270,645 (25.3%) in the six months ended June 30, 2017 due to higher margins on its retail and online sales whereas in the comparative quarter, the lower margins on bulk seed sales caused the overall margins to decrease. In 2018, the Company is focused on rebuilding its markets and products and new commercial opportunities, both domestically and in new international markets and acquired Prosnack Natural Foods Inc. ("Prosnack") on October 18, 2017 and the addition of Absorbent Concepts Inc. ("ACI") which closed on July 16, 2018.

**Naturally Splendid Enterprises, Ltd.**

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| Statements of Loss Data              | For the Three<br>Months Ended<br>June 30, 2018<br>\$ | For the Three<br>Months Ended<br>June 30, 2017<br>\$ | For the Six<br>Months Ended<br>June 30, 2018<br>\$ | For the Six<br>Months Ended<br>June 30, 2017<br>\$ |
|--------------------------------------|------------------------------------------------------|------------------------------------------------------|----------------------------------------------------|----------------------------------------------------|
| Total Revenue                        | 483,675                                              | 481,746                                              | 804,502                                            | 1,068,949                                          |
| Cost of sales                        | (329,238)                                            | (362,538)                                            | (546,761)                                          | (798,304)                                          |
| Selling and distribution<br>expenses | (199,746)                                            | (282,952)                                            | (428,468)                                          | (423,195)                                          |
| Administrative Expenses              | (1,510,393)                                          | (921,902)                                            | (2,929,040)                                        | (1,887,319)                                        |
| Other Income (loss)                  | 4,001                                                | (1,851)                                              | 1,534,669                                          | 10,317                                             |
| Net Loss                             | (1,551,701)                                          | (1,087,497)                                          | (1,565,098)                                        | (2,029,552)                                        |
| Basic and Diluted Loss Per<br>Share  | (0.02)                                               | (0.01)                                               | (0.02)                                             | (0.03)                                             |

Company CEO Douglas Mason states, “ Our second quarter results are showing signs of growth with many new strategic initiatives beginning to impact these figures. During this period, the Company secured a \$5M manufacturing contract and increased production to service this order and many other manufacturing contracts announced in Q3. We also added expertise in preparation of receiving our Dealer License, with the addition of. Dr. Amin Janmohamed as its qualified person in charge (QPIC) in the company's application to become a licensed dealer. The acquisition of Absorbent Concepts Inc. (ACI), an organic hemp processor located in Abbotsford, B.C., was finalized, which is another valuable step in becoming as truly vertically integrated hemp company. NSE also secured organic acreage for hemp production in the 2018 and 2019 growing seasons, as the new hemp regulations under Bill C-45 come into effect, the company has the option to convert some, or all, the acreage to CBD (cannabidiol) production which NSE has plans to take full advantaged of.”

### **About Naturally Splendid Enterprises Ltd.**

Naturally Splendid is a biotechnology and consumer products company that is developing, producing, commercializing, and licensing an entirely new generation of plant-derived, bioactive ingredients, nutrient dense foods, and related products. Naturally Splendid is building an expanding portfolio of patents (issued and pending) and proprietary intellectual property focused on the commercial uses of industrial hemp and marijuana cannabinoid compounds in a broad spectrum of applications.

Naturally Splendid currently has four innovative divisions:

(1) **BIOTECHNOLOGY** – Focused on three major platforms:

- Proprietary HempOmega™ encapsulation
- Extraction and formulation with Cannabidiol (CBD)
- Hemp and plant-based proteins

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(2) CONSUMER PRODUCTS

NATERA® - brand of retail hemp and superfood products distributed throughout North America, Asia and Europe.

The Bar Makers (Prosnack Natural Foods Inc.) makers of (Elevate Me™) - lifestyle brand of healthy meal replacement products distributed throughout North America.

Chi Hemp Industries Incorporated (CHII) - e-commerce platform for natural and organic hemp products.

PawsitiveFX® - topical pet care products.

NATERA®CBD - retail hemp-based cannabinoid nutraceutical and cosmeceutical products distributed in Asia.

NATERA®Skincare - brand of retail hemp based cosmeceutical products.

(3) NATERA® Ingredients - bulk ingredients including HempOmega™

Naturally Splendid Hemp Processing is a science-based, industrial hemp seed processing business located in Abbotsford, BC. Listed as the only strictly organic hemp seed processor in North America

(4) Co-Packaging/Toll-Processing - packaging for house-brands (NATERA® and CHII) and third-party partners.

For more information e-mail [info@naturallysplendid.com](mailto:info@naturallysplendid.com) or call Investor Relations at 604-673-9573

On Behalf of the Board of Directors  
Mr. Douglas Mason  
CEO, Director

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## **Forward-Looking Statements**

Information set forth in this news release contains forward-looking statements that are based on assumptions as of the date of this news release. These statements reflect management's current estimates, beliefs, intentions and expectations. They are not guarantees of future performance. Naturally Splendid cautions that all forward looking statements are inherently uncertain and that actual performance may be affected by a number of material factors, many of which are beyond Naturally Splendid's control including, Naturally Splendid's ability to compete with large food and beverage companies; sales of any potential products developed will be profitable; sales of shelled hemp seed will continue at existing rates or increase; the ability to complete the sales of all bulk hemp seed purchase orders; and the risk that any of the potential applications may not receive all required regulatory or legal approval. Accordingly, actual and future events, conditions and results may differ materially from the estimates, beliefs, intentions and expectations expressed or implied in the forward-looking information. Except as required under applicable securities legislation, Naturally Splendid undertakes no obligation to publicly update or revise forward-looking information.

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