

FOR IMMEDIATE RELEASE

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## GENERATION NEXT FRANCHISE BRANDS ANNOUNCES 2<sup>nd</sup> QUARTER RESULTS

*Record Receivables and Deferred Revenues of \$9.6 Million and \$18.5 Million, Respectively, Lead the Quarter*

**Monday February 27th, 2017** – San Diego, CA - Generation NEXT Franchise Brands (OTCB: VEND) reports financial results for its second fiscal quarter December 31, 2016.

Overview and highlights for the second quarter of fiscal 2017 as compared to the second quarter of fiscal 2016:

- Reis & Irvy's bookings aggregated 143 units and \$5.5 million compared to zero in the prior year;
- Accounts receivables aggregated \$9.6 million compared to \$1.8 million;
- The Company acquired all the intellectual property of Robofusion for \$2.4 million (developer of frozen yogurt / ice cream robot technology);
- Deferred revenue increased to \$18.5 million compared to \$8.1 million;
- The Company's net loss increased to \$3.0 million from \$900k. This included additional expenses related to the following: marketing (\$189k); personnel (\$281k); professional fees (\$439k); research & development (\$307k); Robofusion license fees (\$395k), and derivative liability expense (\$361k);
- The Company's operations provided \$799k cash compared to using \$527k cash in the prior period;
- Fresh Healthy Vending revenues decreased from \$1.6 million in the prior period to \$1.2 million in the current period as the Company continues to fulfill its remaining healthy vending obligations;
- Major milestone achieved in booking our 500<sup>th</sup> froyo unit in December 2016.

"I am pleased our new froyo concept has been so widely accepted and is continuing to show strong demand across the U.S." stated Arthur S. Budman, CEO and CFO. "Looking forward, we are highly focused on completing development on our next generation robot, driving both top line growth and bottom line profitability through continued sales expansion both domestically and internationally, as well as investing in new robotic vending concepts."

For more information on the revolutionary Froyo Robots or to learn more about how you can own your own Reis & Irvy's Froyo Robot franchise, visit the Reis & Irvy's website at [reisandirvys.com](http://reisandirvys.com). To learn more about Generation NEXT Franchise Brands or their family of brands, including Reis & Irvy's, Fresh Healthy Vending or 19 Degrees, please visit [www.gennextbrands.com](http://www.gennextbrands.com) or call toll free 888-902-7558.

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*This information is not intended as an offer to sell, or the solicitation of an offer to buy, a franchise. It is for information purposes only. No Reis & Irvy's franchises will be sold to any resident of any state until the offering has been exempted from the requirements of, or duly registered in and declared effective by, such state and the required FDD (if any) has been delivered to the prospective franchisee before the sale in compliance with applicable law. Currently, the following states in the United States regulate the offer and sale of franchises: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Oregon, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin. If you reside in one of these states, or even if you reside elsewhere, you may have certain rights under applicable franchise laws or regulations.*

### **Generation NEXT Franchise Brands**

Generation NEXT Franchise Brands, based in San Diego, California, is a publicly traded company on the OTC Markets trading under the symbol: VEND. Generation NEXT Franchise Brands is parent company to Fresh Healthy Vending LLC, the market's leading healthy-choice vending machine franchise, Reis and Irvy's, Inc., the world's first robotic frozen yogurt vending kiosk, 19 Degrees, a corporate-focused frozen yogurt kiosk brand and Generation NEXT Vending Robots, our newly established owner/operator model. The Company hosts over 350 active franchisees throughout the United States, Canada, Puerto Rico and the Bahamas, and continually looks to partner with like-minded entrepreneurs who share its vision.

#### *Cautionary note on forward-looking statements*

*Except for historical information contained in this release, statements in this release may constitute forward-looking statements regarding assumptions, projections, expectations, targets, intentions or beliefs about future events that are based on management's belief, as well as assumptions made by, and information currently available to, management. While the Company believes that expectations are based upon reasonable assumptions, there can be no assurances that goals, results and strategy will be realized. Numerous factors, including risks and uncertainties, terms and availability of financing, may affect actual results and may cause results to differ materially from those expressed in forward-looking statements made by the Company or on its behalf. In addition to statements, which explicitly describe risks and uncertainties, readers are urged to consider statements labeled with such terms as "believes," "belief," "expects," "intends," "feels," "anticipates," "proposes," "proposed," or "plans" to be uncertain and forward-looking. More detailed information on these and additional factors that could affect Generation NEXT's actual results are described in Generation NEXT's filings with the Securities and Exchange Commission, including its most recent Form 10-Q's for the quarterly periods*

*ended December 31, 2016 and September 30, 2016, and its annual report on Form 10-K for the fiscal year ended June 30, 2016. All forward-looking statements in this news release speak only as of the date of this news release and are based on Generation NEXT's current beliefs and expectations. Generation NEXT undertakes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.*