

GENERATIONNEXT

FRANCHISE BRANDS

GENERATION NEXT FRANCHISE BRANDS COMPLETES FISCAL 2017 WITH APPROXIMATELY \$25 MILLION IN DEFERRED REVENUES AND ADDS AN ADDITIONAL \$5.5 MILLION IN BOOKINGS DURING THE FIRST QUARTER OF FISCAL 2018

A total of 186 Reis & Irvy's franchisees have now been appointed across the US and Canada

October 12, 2017 – *San Diego, CA* - Generation NEXT Franchise Brands (OTCQB: VEND), whose Reis & Irvy's frozen yogurt robot franchise launched in April of 2016, completed the First Quarter of fiscal 2018, with bookings aggregating approximately \$5.5 million, adding to its existing deferred revenue of approximately \$25.0 million.

Other highlights and updates from fiscal 2017 and the first quarter of fiscal 2018 are as follows:

- Reis & Irvy's total franchise network aggregates 186 franchises;
- The company has raised proceeds totaling \$4.4 million in the form of an equity offering;
- We repaid \$622,500 in debt principal during the first quarter of Fiscal 2018;
- The company completed September 2017 with \$1.8 million in available cash;
- Receivables increased by over \$10.5 million from \$2.4 million to \$12.9 million during fiscal 2017;
- Our deferred revenue increased from \$8.1 million to \$25.0 million representing an increase of \$17 million during fiscal 2017;
- We acquired all the intellectual property in the form of four separate utility and design patents from Robofusion Inc. We now own all IP related to the robot. This increased our fixed assets by \$2.4 million in fiscal 2017;
- We spent \$1.6 million on research and development expenses during fiscal 2017, thus rebuilding our next generation frozen yogurt robot;
- During fiscal 2017, we used \$340,000 in cash from operations, compared to using \$556,000 in fiscal 2016. Furthermore, in fiscal 2017, we increased total cash by \$1.1 million compared to generating \$200,000 in fiscal 2016;
- We selected Flex, Ltd. as our exclusive contract manufacturer and now have a production schedule that allows for approximately 1,000 units to be manufactured for installation by June 30, 2018. With approximately \$24 billion in annual revenue and 200,000 professionals across 30 countries, Flex, Ltd. provides innovative design, engineering, manufacturing, real-time supply chain insight and logistics services to companies of all sizes in various industries and end-markets;
- Our prototype frozen yogurt vending robot developed by Lancer Corporation underwent and has now completed the Intertek – UL and NSF design review phase which means all that is left is the final testing; the final testing will take place over the next few weeks, with Intertek testing to verify the robotic arm meets their safety standards and that our procedures meet all health and food safety regulations. Note: We have independently verified that it does meet their standards and we are confident UL will achieve the same results in their testing;
- We have developed a “burn-in-test” that will ensure all frozen yogurt vending robots are performance tested prior to shipment; This process verifies that the robot is communicating with each sub-system during normal operations and that our control system and components/sensors are functional;
- Our frozen yogurt vending robots have been through rigorous performance testing and have performed extremely well in various humidity and ambient temperature routines including over a million cycles of the robotic arm without fail; in addition to the robotic arm and soft-serve machine testing, we have been

validating software communication and integration on the entire unit to ensure all sub-systems are communicating and are functional;

- We engaged Pitney Bowes as our national service network partner to deliver, install and provide on-site training for our robots; backed by a team of over 16,000 dedicated professionals, Pitney Bowes has more than 1.5 million clients in approximately 100 countries around the world that rely on products, solutions and services from Pitney Bowes;
- On August 9th, we announced an \$875,000 Licensing Agreement within the Nation of Oman. This is the second international license agreement signed, the other being for the exclusive rights to Israel, which was licensed for \$3,637,500 over a five-year period;
- Our first robots will be delivered in November 2017;
- We are excited to announce that our first franchise training begins November 6, 2017 at the Generation Next Corporate Office in San Diego, CA. Each franchisee will spend 2 days learning about their robots and franchise business. Franchisees that attend this inaugural training will be also the first to receive their robots. Representatives from our partners Flex Ltd, Pitney Bowes and Spaceman will be in attendance at this training.

“As we prepare our business for continued growth, we have officially solidified our infrastructure by finalizing key relationships with our manufacturing and logistics partners, Flex Ltd and Pitney Bowes. These strategic alliances combined with the sales and marketing platform we have proven, will allow us to deliver all products with the scale we require, the most highly regarded service network not just nationally but internationally, support for our customers and professionalism on all levels,” said Nick Yates, Chairman and Founder. “Additionally, we will continue our expansion plans next month, which will see the official launch of both the Generation Next Vending Robots program, as well as our corporate-owned operations program, allowing for two new and very promising revenue streams to take affect well before the end of fiscal 2018.”

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. 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 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 robot, 19 Degrees, a corporate-focused frozen yogurt robot brand and Generation NEXT Vending Robots, our newly established owner/operator model. The Company has sold over 600 franchises 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

This press release contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements include, among others, statements concerning our future financial performance, including statements regarding our manufacturer’s ability to maintain the production schedule for our Froyo Robots and our ability to timely launch delivery of our Froyo Robots. The Company bases these forward-looking statements on its current expectations, estimates and projections about future events and the industry in which it operates using information currently available to it. Actual results could differ materially from those discussed in, or implied by, these forward-looking statements. Forward-looking statements are identified by words such as “believe,” “anticipate,” “propose,” “expect,” “intend,” “plan,” “will,” “may,” “estimates,” variations of such words and other similar expressions. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements. Factors that could cause actual results to differ from those implied by the forward-looking statements contained in this press release are set forth in our filings with the Securities and Exchange Commission (SEC), including our most recent Annual Report on Form 10-K for the year ended June 30, 2017, and our Current Reports on Form 8-K. Be advised that developments subsequent to this press release are likely to cause these statements to become outdated and the Company is under no obligation (and expressly disclaims any such obligation) to update or revise any forward-looking statements whether as a result of new information, future events, or otherwise.