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# NEWS RELEASE

**HEMPCO FOOD AND FIBER INC.**

**TSX.V Symbol: HEMP**

**For Immediate Release**

**Vancouver, BC**

**December 20, 2016**

## **HEMPCO ANNOUNCES FISCAL 2016 YEAR END RESULTS**

**Revenue increase by 29.6%**

Vancouver, British Columbia, Canada – Tuesday, December 20, 2016 – Hempco Food and Fiber Inc. (TSXV: HEMP) (“Hempco®”) is pleased to announce the audited financial results for the year ended August 31, 2016. On December 15, 2016 the Board of Directors approved the full year 2016 consolidated financial statements.

Charles Holmes, CEO, comments, "Our 2016 fiscal year was very productive. We expanded our production capacity in Manitoba and are further expanding in a new Alberta location to keep up with increased bulk sales demands from a new relationship with our Korean customer Seoulutions Corp. and other key US and EU customers. We launched our PLANETHEMP brand retail line of CPG products which have received healthy foods industry recognition."

### **2016 Highlights**

- Revenue for the year ended August 31, 2016 is \$5.24 million, an increase of 29.6% over 2015
- Gross Profit for the year is \$1.54 million, an increase of 35.5% over 2015
- Began public trading on April 20, 2016 and changed our trading symbol to “HEMP”
- Expanded bulk sales into Korea/Asia
- Acquired a \$3 million/year supply contract with Seoulutions Corp. Korea which was fulfilled within 7 months. Signed a new supply contract with Seoulutions for \$9 million/year starting September 1, 2016, with gross sales in September 2016 topping \$1 million for the month for the first time
- Expanded our Manitoba facility production capacity to fulfill increased sales demands
- Completed follow on financing to raise \$2,185,000 in August 2016 at a price of \$0.50
- Successfully launched PLANETHEMP.ca brand retail line of consumer packaged goods (CPG) into UK and Canada
- Acquired and building out a new location in Nisku, Alberta for further expansion of production capacity for bulk and CPG development and manufacturing to fulfill increased sales demands
- Awarded “Company of the year 2016” by Food and Drink Matters. Achieved runner up at the International Beverage Innovation Awards for PLANETHEMP brand hemp protein shakes



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## **Financial Results:**

Gross revenues for the year ended August 31, 2016 totaled \$5,240,639 as compared to \$4,043,897 for the year ended August 31, 2015. The increase in sales was 29.6% and most of this increase occurred after the Company's successful listing on the TSX Venture Exchange in April 2016. We publish monthly sales reports that have showed strong month to month increases in sales since. The net loss for the year was roughly \$3.24 million, however this loss includes a one-time non-cash expense of \$1,866,146 that recognizes the reverse takeover of the public shell and a non-cash expense of \$1,014,928 for stock based compensation. In addition to these factors, the Company expended significant funds on building the brand and infrastructure that will support future sales. Cash on hand as of August 31, 2016 was \$1,454,047 and net working capital of \$2,323,954. We believe this is sufficient cash to finance the Company and its growth strategy over the next year.

## **About Hempco**

Hempco® and the Holmes family is a trusted and respected pioneer, innovator and provider of premier hemp seed foods for more than 15 years. Hempco® is recognized as a “company that cares” and guarantees that its customers, all over North America, Europe and Asia, are provided the finest hemp seed foods possible. The Hempco® mandate is “whole crop utilization” and is investigating hemp fiber and hemp CBD nutraceuticals manufacturing to create a “tri-crop” opportunity for farmers and create new income streams. Hempco® has grown its business significantly and is generating value and profits for shareholders.

We seek Safe Harbor.

## **ON BEHALF OF THE BOARD**

**“Charles Holmes”**

**Charles Holmes**  
**Chief Executive Officer**  
**HEMPCO FOOD AND FIBER INC.**

FOR MORE INFORMATION, PLEASE CONTACT:  
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*Statements in this press release regarding the Company which are not historical facts are “forward-looking statements” that involve risks and uncertainties. Such information can generally be identified by the use of forwarding-looking wording such as “may”, “expect”, “estimate”, “anticipate”, “intend”, “believe” and “continue” or the negative thereof or similar variations. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties such as the risk that the closing may not occur for any reason. Actual results in each case could differ materially from those currently anticipated in such statements due to factors such as the decision of the TSXV to reject any grant of options or any person to act as investor relation service providers. Except as required by law, the Company does not intend to update any changes to such statements.*