



GreenSpace Brands Announces Acquisition of US Based Galaxy Nutritional Foods, Owners of the Go Veggie Brand

TORONTO, Dec. 20, 2017 /CNW/ - GreenSpace Brands Inc. ("**GreenSpace**") (TSXV: JTR) is pleased to announce today that it has signed a share purchase agreement dated December 20, 2017 to acquire (the "**Acquisition**") all of the outstanding shares of Galaxy Nutritional Foods Inc. ("**Go Veggie**"), which owns the Go Veggie® brand. Go Veggie is one of the leading cheese alternative brands in the United States with distribution in over 12,000 locations through most major US grocery retailers and natural food chains, along with a growing food service business. The plant based dairy alternative market is one of the fastest growing subsets of the natural food market, but has very few established players. Go Veggie has established itself as one of the preeminent brands in the space with some of the best tasting and award winning products.

Greenspace will be holding a conference call to discuss the details of the transaction on December 21st, 2017 at 9:00 EST. The call will be hosted by Matthew von Teichman, President and Chief Executive Officer. Following management's presentation, there will be a question and answer session for analysts and investors. To participate in the teleconference, dial (647) 427-7450 or 1 (888) 231-8191 (Toll-free). Callers are advised to call five minutes in advance of the call.

A taped rebroadcast will be available beginning at 11:20 am (EST) December 21st, 2017 until 11:59 pm (EST) on December 28th, 2017. To access the rebroadcast, please dial (416) 849-0833 or 1 (855) 859-2056 and use the passcode 1289656 followed by the number sign.

Overview of the Acquisition

GreenSpace has agreed to purchase Go Veggie for a total consideration of \$17.8 million USD, comprised of \$4.5 million USD in cash, \$7.62 million USD (approximately \$9.81million CAD) in GreenSpace common shares (the "**Share Consideration**"), and a two year vendor take back loan of \$5.72 million USD, carrying an 8.5% coupon. Greenspace will issue 7.16 million Common shares at \$1.37 per share as part of the transaction, a 14.2% premium to the closing market price on December 19th, 2017.

GreenSpace will be purchasing Go Veggie from Mill Road Capital, a Greenwich, Connecticut based private investment firm focused on investing in and partnering with publicly traded micro-cap companies. Mill Road will become the largest shareholder of GreenSpace as a result of this transaction. Mill Road Capital has a long history of successfully investing in emerging consumer brands throughout Canada and the United States, and this expertise will help support the GreenSpace team as they navigate the US natural food market and US capital markets.

The Share Consideration will be subject to lock-up and escrow pursuant to which approximately 45% of the Share Consideration shall be locked up for 12 months from the closing date, 5% of the Share Consideration shall be in escrow for 13 months from the closing date and the remaining 50% shall be locked-up for 18 months from the closing date, subject to certain exemptions.

Select highlights of the Acquisition include the following:

- Go Veggie adds a profitable pre-existing US platform that will enable GreenSpace to launch its most innovative and unique brands into the US;
- The acquisition is expected to add significant gross margin dollars to GreenSpace and improve the overall gross margin profile, as well as add incremental adjusted EBITDA in the short term, with more significant growth in adjusted EBITDA over the long term. Go Veggie recorded revenues of \$16.3 million USD for their fiscal year ended March, 31, 2017, with strong gross profit margins of approximately 40%.¹
- Go Veggie has one of the leading brands in what GreenSpace believes to be one of the fastest growing segments of the natural food industry, plant based dairy alternatives. Galaxy has broad based distribution across the United States and an existing high functioning team; and
- GreenSpace believes that by supporting updates and amplifying the brand image of Go Veggie, it will be able to further develop its leadership position in the plant based dairy alternatives vertical in North America;

"We couldn't be more excited to add Go Veggie to the GSB family of brands. With the acquisition of Go Veggie, we enter our most sought after vertical, plant based dairy alternatives. The addition of Go Veggie adds a profitable pre-existing US platform that will enable us to launch our most innovative and unique brands into the US under the expert leadership of one of the most respected people in the US natural food industry, Rick Antonelli, CEO of Go Veggie" comments Matthew von Teichman, CEO of Greenspace, "This is truly a transformative acquisition for us. We will continue to develop their Canadian sales strategy through the leveraging of our current platform and strategically initiate our US development by leveraging their platform. It's a win-win and the ideal way for us to get going in the US market"

Rick Antonelli, CEO of Galaxy comments, "We've been watching GreenSpace for years and have admired the stable of brands they've been able to put together in such a short time. We feel that Go Veggie is a perfect addition to that roster of strong brands and with the potential synergies of our team selling their products, and their team selling our products, there's a significant long term upside for both. I can't wait to start presenting GreenSpace's unique and innovative products to the US market and Go Veggie's existing retail partners."

The Acquisition is scheduled to close in January 2018, subject to satisfaction of customary closing conditions and approval of the TSX Venture Exchange. Financo, Inc. has acted as the exclusive advisor to Galaxy and Mill Road.

About GreenSpace

GreenSpace is a Canadian-based brand ideation team that develops, markets and sells premium natural food products to consumers across Canada. Greenspace owns and operates the following brands: Love Child Organics., one of the fastest growing brands in Canada and a producer of 100% organic food for infants and toddlers made with the pure, natural and most nutritionally-rich ingredients; Central Roast, a clean snacking brand that has been one of the leading natural food brands in Canada; Rolling Meadow Dairy, Canada's leading grass fed dairy product line, delivering premium fluid and cultured products across Canada; Life Choices which features premium convenience meat products made with grass fed and pasture raised meats without the use of added hormones and antibiotics; Kiju, the Canadian market leader in the shelf stable organic juice segment; Cedar , the Canadian leader in cold pressed and gut health fresh juices. All brands are wholly owned and retail in a variety of natural and mass retail grocery locations across Canada.

GreenSpace's filings are also available at www.SEDAR.com

About GO VEGGIE®

Over 40 years ago Galaxy Nutritional Foods Inc. created the cheese alternative category for health-conscious consumers and is proud to remain America's leading provider of great tasting cheese-free products. Today, under Galaxy's new brand GO VEGGIE, the company continues to innovate and offer consumers more healthy cheese-free choices. Across its product portfolio – Vegan, Lactose Free, and

Lactose & Soy Free – GO VEGGIE offers 55 products across the United States in a wide variety of formats.

For product information, recipes, and more, visit www.goveggiefoods.com. Follow GO VEGGIE on [Facebook](#), [Twitter](#), [Instagram](#), and [Pinterest](#).

About Mill Road Capital

Mill Road Capital is a private investment firm focused on investing in and partnering with publicly traded micro-cap companies in the U.S. and Canada. The firm has flexible, long-term capital with the ability to purchase shares in the open market, buy large block positions from existing shareholders, provide capital for growth or acquisition opportunities, or execute going-private transactions. The firm has raised approximately \$670 million of aggregate equity capital commitments and has offices in Greenwich, CT and the San Francisco Bay Area. Mill Road's investments in Canada include Ten Peaks Coffee Company, a British Columbia based premium green coffee decaffeinator, PRT Growing Services Ltd., the British Columbia based leader in container grown tree seedlings for replanting forests, and Cossette, the largest full service advertising agency in Canada.

More information can be found at <http://www.millroadcapital.com>.

Forward Looking Information

Certain statements in this press release may constitute forward-looking statements within the meaning of applicable securities laws. Forward-looking statements include, but are not limited to, statements concerning (i) the Acquisition; (ii) the completion of the Acquisition; (iii) anticipated approvals; (iv) the time to the closings; and (v) results of the completion of the Acquisition. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans" or "continue", or similar expressions suggesting future outcomes or events. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those contemplated by such statements. Such forward-looking statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements including, without limitation, the risks that: (1) the information provided to GreenSpace by Galaxy turns out to be misleading, untrue or incomplete; (2) the Acquisition may not be completed for any reason whatsoever, including that regulators may not approve the Acquisition; (3) the closings may not occur as scheduled or at all; and (4) GreenSpace may not achieve the results currently anticipated. Although GreenSpace believes that the expectations reflected in its forward-looking information are reasonable, undue reliance should not be placed on forward-looking information because GreenSpace can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified in this press release, assumptions have been made regarding and are implicit in, among other things, the timely receipt of required regulatory approvals. Details of the risk factors relating to GreenSpace and its business are discussed under the heading "Risk Factors" in the preliminary short form prospectus filed on the date hereof and "Risks and Uncertainties Related to the Business" in GreenSpace' annual information form dated July 18, 2017, a copy of which is available on GreenSpace' SEDAR profile at www.sedar.com. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which have been used. Forward-looking information is based on current expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by GreenSpace and described in the forward looking information. The forward-looking information contained in this press release is made as of the date hereof and GreenSpace undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless required by applicable securities laws. The forward looking information contained in this press release is expressly qualified by this cautionary statement.

Neither the TSX Venture Exchange nor its regulation services provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

This press release does not constitute or form a part of any offer or solicitation to buy or sell any securities in the United States or any other jurisdiction.

¹ Based on Galaxy's most recent management-prepared quarterly financial statements annualized and prepared in accordance with United States generally accepted accounting principles.

SOURCE GreenSpace Brands Inc.

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