GreenSpace Brands announces debt extension and restructuring, a concurrent Private Placement equity offering and the end of the strategic review process

TSXV: JTR
www.greenspacebrands.ca
(all amounts in Cdn$ unless otherwise noted)

TORONTO, Dec. 23, 2019 /CNW/ - GreenSpace Brands Inc. (the "Company") (TSXV: JTR) today reported the culmination of a nearly five-month strategic review process and after careful consideration by a special committee of the Board of Directors (the "Special Committee"), the Company has decided to pursue a non-brokered private placement (the "Private Placement") which it believes maintains the best value for its shareholders. In conjunction with the Private Placement the Company has reached an agreement to amend certain loan agreements with its two term lenders. Under the terms of the loan amendments, among other things, the lenders have agreed to extend the loan maturity dates by 12 months and agreed to an amended coupon rate of 12% (the "Debt Restructuring").

The Debt Restructuring is being arranged by the two principal non-senior lenders, Primary Capital and MillRoad Capital. Under the Debt Restructuring, both principal lenders have agreed to extend their debt terms by 12 months, amend the coupon rate to 12% per annum, and accrue all interest in lieu of payment in the 12-month extension period. Primary Capital has also been extended the right to convert a portion of its loan into equity on the same terms as the Private Placement. MillRoad will receive a monthly extension fee, starting in mid-February 2020, of $10,000 per month, which will increase to $20,000 per month after six months. Primary Capital will receive a similar extension fee with a structure commensurate with the amount of their unpaid and unconverted debt.

The Private Placement was decided upon because the Special Committee and the Board of Directors did not feel any of the brand level indications of interest provided adequate value for the brand portfolio, nor were they in the best interests of shareholders. Indications of interest were received on all major brands but, in the opinion of the Board of Directors, none of the indications of interest delivered adequate value while also providing a high level of deal certainty. The Board of Directors has decided to end the strategic review process after undertaking the Private Placement and Debt Restructuring.

Under the Private Placement, the Company will issue up to 50 million units (the "Units") at a price of $0.10 per Unit (the "Issue Price") for aggregate gross proceeds of up to $5 million. Each Unit will consist of one common share in the capital of the Company (a "Common Share") and one-half of one common share purchase warrant of the Company (each whole warrant, a "Warrant"). Each whole Warrant will entitle the holder thereof to acquire one Common Share at an exercise price per Common Share of $0.20 for a period of 36 months from the closing of the Private Placement. In addition, the Company will allow part of its outstanding primary debt to convert into Units at the Issue Price. Certain finders will receive a cash fee equal to 6% of the gross proceeds of the Private

Placement and finders warrants ("Finder Warrants") equal to 6% of the number of Units issued pursuant to the Private Placement. Each Finder Warrant will entitle the holder thereof to acquire one Unit at the Issue Price for 36 months following the closing of the Private Placement.

The Private Placement will be made to accredited investors in all provinces of Canada, and is expected to close in tranches in January, 2020, and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals, including the approval of the TSX Venture Exchange. The Units, including all underlying securities thereof, will be subject to a four-month hold period.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

About GreenSpace Brands Inc.

GreenSpace is a Canadian-based brand ideation team that develops, markets and sells premium natural food products to consumers across North America. GreenSpace owns Love Child, a producer of 100% organic food for infants and toddlers made with the purest, natural and most nutritionally-rich ingredients, Central Roast, a clean snacking brand featuring a wide assortment of nut and seed mixes, CEDAR, a Canadian based Cold Press Juice business and GO VEGGIE, one of the leaders in the US plant-based cheese market. All brands are wholly owned and retail in a variety of natural and mass retail grocery locations across Canada.

For more information, visit www.greenspacebrands.ca. GreenSpace's filings are also available at **www.SEDAR.com.**

Forward-Looking Statements

Certain statements in this press release constitute forward-looking statements within the meaning of applicable securities laws. Forward-looking statements include, but are not limited to, statements made concerning the Company's future objectives, strategies to achieve those objectives, as well as statements with respect to management's beliefs, plans, estimates, and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. 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, and there can be no assurance that actual results will be consistent with these forward-looking statements. Factors that could cause such differences include the cyclical nature of the construction and agriculture industries, changes in general economic conditions and interest rates, adverse weather, cost and availability of materials used to manufacture the Company's products, competitive developments, legislative and government policy changes, volatility in interest and exchange rates, volatility in the capital or credit markets, as well as other risk factors included in the Company's Annual Information Form under the heading "Risks and Uncertainties Related to the Business" and as described from time to time in the reports and disclosure documents filed by the Company with Canadian securities regulatory agencies and commissions. This list is not exhaustive of the factors that may impact the Company's forward-looking statements. These and other factors should be considered carefully, and readers should not place undue reliance on the Company's forward-looking statements. As a result of the foregoing and other factors, no assurance can be given as to any such future results, levels of activity or achievements or levels of dividends and neither the Company nor any other person assumes responsibility for the accuracy and completeness of these forward-looking statements. The factors underlying current expectations are dynamic and subject to change. Certain statements included in this press release may be considered "financial outlook" for purposes of applicable securities laws, and such financial outlook may not be appropriate for all purposes. All forward-looking statements in this press release are qualified by these cautionary statements. The forward-looking statements contained herein are made as of the date of this press release and is based only on information currently available to us and speaks only as of the date on which it is made, and except as required by applicable law, the Company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

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.

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For further information: Matthew von Teichman, President & Chief Executive Officer, GreenSpace Brands Inc., Tel: (416) 934-5034 Ext. 200; Stuart Pasternak, Chief Financial Officer, GreenSpace Brands Inc., Tel: (416) 934-5034 Ext. 210

CO: GreenSpace Brands Inc.

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