

Vegaste Technologies Corp Agrees to Acquire Bloombox Club UK for £8 Million to Expand into the UK and Europe

VANCOUVER, BC, Sept. 24, 2020 /CNW/ - Vegaste Technologies Corp. (the "**Company**" or "**Vegaste**") (CSE: VEGA) (Frankfurt: WNT1), is pleased to announce that the Company has agreed to acquire Bloombox Club Limited ("**Bloombox Club UK**") a leading UK-based e-commerce platform that sells and delivers indoor plants to their established wellness community via subscription service and online shop.



PlantXBloomboxClub (CNW Group/Vegaste Technologies Corp.)

Bloombox Club UK was founded by Dr. Katie Cooper in 2015 after she was working as a psychologist and saw some positive results with clients after introducing plants into her therapeutic practice. In the last few years, Bloombox Club UK has delivered over 55,000 plants to over 24,000 customers across the UK and achieved a high 4.4 star rating on Trustpilot. Bloombox Club UK is currently on a C\$3.9 million (£2.3 million) annual run rate (ARR) and is on target to achieve approximately C\$4.5 million ((£2.3 million) in gross revenue and approximately C\$2.3 million ((£1.4 million) in gross margin for its current financial year. Bloombox Club UK packages its products in secure, environmentally conscious material and delivers them across the UK using courier firms.

Bloombox Club UK will continue to operate as a wholly owned subsidiary run by Dr. Cooper and her UK team, while leveraging the deep e-commerce and technical expertise of PlantX to drive higher conversions and accelerate expansion into Netherlands, Germany and the rest of Europe. Further, Bloombox Club UK will provide PlantX with deep industry expertise in the house plant vertical and help the Company grow in the US and Canadian markets utilizing the strategy that made them so successful in the UK.

Sean Dollinger, PlantX Founder said, "Bloombox Club UK has developed a fantastic business in the UK over the past 4-5 years and is run by a high quality team led by Dr. Cooper that we are delighted to have join the PlantX family. The acquisition provides us an immediate presence in the UK and serves as a launchpad for expansion into the rest of Europe and internationally. We have identified numerous synergies that will allow both businesses to scale and accelerate growth. We look forward to growing our future operations around the world with their help."

"We are very excited to join the PlantX family and be part of a larger company with a bold vision. Sean and the rest of the PlantX team are aligned with the Bloombox Club team with a focus on delivering customers plant-based education and products that provide holistic health benefits both physically and mentally. We are eager to accelerate our own growth by expanding into Europe and North America while leveraging the deep e-commerce and technical skills of PlantX," said Dr. Katie Cooper, Bloombox Club UK Founder.

PlantX will continue to source plants from Geponics, but plans to grow its selection by having Bloombox Club UK locate additional partners where the Company can API into their inventory and provide their ecommerce platform.

Transaction Terms

Pursuant to the terms of the letter of intent between the Company and Bloombox Club UK entered into today, the Company will acquire Bloombox Club UK for an aggregate purchase price of £8 million to be satisfied by a combination of £560,000 in cash and £7,440,000 in common shares in the capital of the Company ("**Common Shares**"). An aggregate of 10,782,559 Common Shares will be issued as consideration based on a deemed price of C\$1.17 per share, that being equal to the immediately preceding 10 day volume weighted average trading price of the Common Shares (the "**Consideration Share Price**"). The company will assume a £50,000 10 year UK government loan bearing a 2.5% interest rate as a result of the transaction. The transaction remains subject to the execution of a definitive purchase agreement, satisfactory due diligence by the Company and the receipt of all necessary governmental, corporate, and regulatory approvals. Closing is expected to occur on or about October 31, 2020 or as otherwise agreed to by the parties. There are no assurances that the acquisition of Bloombox Club UK will be completed as proposed or at all.

The Company and Bloombox Club UK are arm's length parties to one another.

Subject to the completion of the transaction, the Company will pay a financial advisory fee equal to 10% of the value of the transaction to an arm's length, third party financial advisor for its assistance in introducing, evaluating, and structuring the transaction for the Company. The fee will be satisfied by a combination of cash and Common Shares of which an aggregate of 1,043,473 Common Shares at a deemed price per share equal to the Consideration Share Price will be issued to the advisor upon closing of the transaction.

Since its inception in October 2019, the Company's PlantX platform has quickly emerged as an industry leader. As the fledgling plant-based sector continues its explosive growth, the Company will be at the forefront by continually evolving and delivering new ways to expand PlantX. With its forward-looking, cutting edge approach, the Company will continue to secure significant partnerships across North America while exploring innovative ways to expand both its e-commerce capabilities and digital resources to help educate, inspire, and uplift consumers.

The Company website is <http://investor.PlantX.com/>.

About Vegaste

As the digital face of the plant-based community, Vegaste's PlantX platform is the one-stop-shop for everything plant-based. With its fast growing category verticals, the Company will offer customers across North America more than 10,000 plant-based products by the end of September. In addition to offering meal, vitamins and indoor plant deliveries, Vegaste currently has plans underway to expand its product lines to include cosmetics, clothing, and its own water brand — but the business is not limited to an e-commerce platform. Vegaste uses its digital platform to build a community of like-minded consumers and most importantly, provide education. Its successful enterprise is being built and fortified on partnerships with top nutritionists, chefs, and brands. Vegaste eliminates the barriers to entry for anyone interested in living a plant-based lifestyle, and thriving in a longer, healthier, and happier life.

About Bloombox Club UK

Bloombox Club UK is a UK-based indoor plant and natural product shop and subscription company that brings indoors the great outdoors to boost its customers' health and wellbeing. The company sources, curates, tells the story of its indoor plants and superior natural products for the home and delivers them to its customers' doors. Bloombox Club UK has created a large and active community

loyal to its brand by curating its products and educating its customers on the plants' genus and benefits.

Forward-Looking Information and Forward-Looking Financial Information

This press release contains "forward-looking information" within the meaning of applicable securities laws. All statements contained herein that are not clearly historical in nature may constitute forward-looking information. In some cases, forward-looking information can be identified by words or phrases such as "may", "will", "expect", "likely", "should", "would", "plan", "anticipate", "intend", "potential", "proposed", "estimate", "believe" or the negative of these terms, or other similar words, expressions and grammatical variations thereof, or statements that certain events or conditions "may" or "will" happen, or by discussions of strategy. The forward-looking information contained herein includes statements regarding the terms and timing on the completion of the Company's proposed acquisition of Bloombox Club UK, the products to be available on the Company's PlantX e-commerce platform and the Company's business and strategic plans.

By their nature, forward-looking information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. A variety of factors, including known and unknown risks, many of which are beyond our control, could cause actual results to differ materially from the forward-looking information in this press release including, without limitation: the failure to negotiate and execute a definitive purchase agreement satisfactory to the respective parties, the failure to obtain all necessary corporate and regulatory approvals and general economic, market and business conditions. Other risk factors include the Company's ability to secure additional commercial partnerships for products, the Company's ability to comply with all applicable governmental regulations including all applicable food safety laws and regulations; impacts to the business and operations of the Company due to the COVID-19 epidemic; the risks inherent in having a limited operating history, the ability of the Company to access capital to meet future financing needs; the Company's reliance on management and key personnel; competition; changes in consumer trends; and foreign currency fluctuations.

This press release also contains future oriented financial outlook and financial information (collectively, "FOFI") within the meaning of applicable Canadian securities laws. The FOFI included herein has been approved by management of the Company as of the date hereof to demonstrate management's current expectations regarding the future financial results of Bloombox Club UK. Management of the Company believes that the FOFI has been prepared on a reasonable basis, reflecting best estimates and judgments, and based on a number of assumptions that management believes are reasonable under the current circumstances. However, because this information is highly subjective and subject to numerous risks, including the risks discussed above, it should not be relied on as necessarily indicative of future results. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the FOFI prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although management of the Company has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended.

The forward-looking information and FOFI contained herein are current as of the date of this press release. Except as required by law, the Company does not have any obligation to advise any person if it becomes aware of any inaccuracy in or omission from any forward-looking information or FOFI, nor does it intend, or assume any obligation, to update or revise such forward-looking information or FOFI to reflect new events or circumstances. Any and all forward-looking information and FOFI included in this news release are expressly qualified by this cautionary

statement, and except as otherwise indicated, are made as of the date of this press release.

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For further information: Alexandra Hoffman, Chief Marketing Officer, (323)536-7973,
alex@PlantX.com

CO: Vegaste Technologies Corp.

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