FOR IMMEDIATE RELEASE

# GreenSpace Brands Inc. Reports a 62% YOY Revenue Increase, Increased Gross Margins, Increased Adjusted EBITDA margins and Decreased Rebates and Discount Expenses

**TORONTO, ONTARIO**, **February 14, 2018** – GreenSpace Brands Inc. ("GreenSpace" or “the Company”) (TSXV: JTR) today reported its third quarter financial results for December 31, 2017.

**Key Highlights**

- **Quarterly gross revenue of $16.3 million sets record high, representing a 62% increase over previous year and 29% organic growth over previous year**
- **Adjusted gross margin quarter over quarter growth was slightly higher at 23% vs 22.9%.**
- **SG&A expenses increased slightly from 19.2% to 20.5% of gross revenue in the third quarter, as a result of one-time restructuring expense with the discontinuation of the Holistic Choice Brand.**
- **Adjusted EBITDA margins increased to 3.6% in the third quarter, as a percentage of net revenue excluding listing fees, from 3.5% earned in the second quarter of 2018.**
- **Rebates and Discounts as a % of sales decreased from 11.8% in Q2 to 11.0% in Q3**

**Consolidated Performance Summary**

| | Three months ended Dec 31 | | Nine months ended Dec 31 | |
|---|---|---|---|---|
| | **2017** | **2016** | **2017** | **2016** |
| ***(in thousands of Canadian dollars, except per share amounts)*** | **$** | $ | **$** | $ |
| Gross revenue | **16,348** | 10,078 | **45,951** | 29,014 |
| Less: rebates and discounts | **(1,798)** | (985) | **(5,292)** | (2,591) |
| Less: listing fees | **(284)** | (60) | **(826)** | (442) |
| Net revenue | **14,266** | 9,033 | **39,833** | 25,981 |
| Gross profit | **3,064** | 2,024 | **8,500** | 6,101 |
| Adjusted gross profit[1] | **3,348** | 2,084 | **9,326** | 6,543 |
| Adjusted gross profit margin[1] | **23.0%** | 22.9% | **22.9%** | 24.8% |
| SG&A expenses | **3,358** | 1,932 | **8,829** | 5,924 |
| Amortization of intangible assets | **353** | 260 | **1,059** | 780 |
| Deferred income tax recovery | **(94)** | (69) | **(281)** | (207) |
| Interest expense | **98** | 113 | **246** | 394 |
| Accretion expense | **34** | 318 | **149** | 1,231 |
| Loss from continuing operations | **(685)** | (530) | **(1,502)** | (2,021) |
| Loss from discontinued operations, net of income taxes | **-** | (396) | **-** | (503) |
| Net income (loss) | **(685)** | (926) | **(1,502)** | (2,524) |
| Net loss per share (basic and diluted) | **(0.01)** | (0.03) | **(0.01)** | (0.04) |
| **EBITDA** | **(213)** | 142 | **(133)** | 316 |
| **EBITDA, as a percentage of net revenue** | **(1.5%)** | 1.6% | **(0.3%)** | 1.2% |
| **Adjusted EBITDA[1]** | **528** | 290 | **1,418** | 1,051 |
| **Adjusted EBITDA, as a percentage of net revenue excluding listing fees[1]** | **3.6%** | 3.2% | **3.5%** | 4.0% |

1 – These are not measures of financial performance under IFRS. These measures are not necessarily comparable to similarly titled measures used by other companies and should not be construed as an alternative to net income or cash flow from operating activities as determined in accordance with IFRS. See the discussion included in the Company's annual MD&A for the year-ended March 31, 2017, available on www.sedar.com on non-IFRS disclosure for further details, including reasons for presentation of these financial measures.

Gross revenue, for the third quarter-ended December 31, 2017, was the highest gross revenue amount earned by the Company in any previous quarter. The year on year revenue growth of 62% experienced in the quarter in comparison to the same period in prior year was the result of growth across nearly the entire brand portfolio, with Love Child and Central Roast performing especially well. Q3 also saw the full 3 months of contribution from the recent acquisition, Cedar. Not including acquisitions completed within the last 12 months, revenue growth is coming in at 29% year over year, or approximately 3x the industry average. Revenue was marginally affected by a decision by several of the largest customers to cancel PO's late in the quarter in order to reduce inventory positions. Management expectations are that those customers will go back to normal inventory levels and that we will continue to see strong revenue growth on all core brands for the foreseeable future.

Adjusted gross margins, removing one-time, non-recurring listing fees, remained steady compared to Q2 in the current quarter, posting 23% gross margin and slightly better than the prior year of 22.9%. Rebates and discounts as a percentage of revenue decreased in Q3 to 11.0% from 11.8% in Q2. Price increases have been accepted by most major retail partners for both Love Child and Central Roast which should ensure the continued growth of the gross margin profile going forward. In addition, new product launches and our most recent acquisitions all feature higher gross margins.

For the quarter ending December 31, 2017, SG&A expense, as a percentage of gross revenue, increased slightly in comparison to the previous year, representing 20.5% of revenue versus 19.2% in Q3 2017. The increase was primarily due to one-time restructuring expense from the discontinuation of the Holistic Choice Brand, partially offset by favourable salaries and benefits and storage and delivery expenses. Fines from retailer partners for out of stock products related to Love Child supply shortages also impacted SG&A expenses. With significant growth in all acquired brands, the Company continues to earn the required revenue scale to more than cover its consolidated SG&A expenses and now the Company is gaining profitability by spreading higher sales volumes over largely fixed SG&A expenses. As discussed in previous quarters, the Company has continued to implement a number of cost saving initiatives and the effects of these initiatives is what has contributed to the positive Adjusted EBITDA margins for eight consecutive quarters, and growing Adjusted EBITDA margins for 4 straight quarters including an increase from 3.5% to 3.6% from the second quarter of fiscal 2018, and from 3.2% in the same period in the prior year.

**Outlook**

GreenSpace continues to believe that there are a number of fundamental trends occurring within both the Global and North American food industries. These trends will continue to drive consumer demand for GSB brands and customers will continue to be attracted by the Company's innovation within the natural and organic marketplace.

As a result of this the Company is optimistic that anticipated market growth will continue to drive demand for the Company's acquired and developed brands and provides a lot of opportunity for further expansion into new product offerings. This has been evidenced by several distribution wins announced over the last three quarters. In particular GreenSpace expects that it will continue to execute on a two-pronged growth strategy. Firstly, the Company expects to have a strong and on-going internal brand and product development program. There are currently a number of new product offerings in various stages of development that the Company expects to release strategically, to fill gaps in the Canadian natural and organic marketplace, over the next few quarters. Secondly, the tripling in size of the Canadian natural and organic food market over the last decade has been driven by a number of new entrants, creating a highly fragmented competitive landscape. The Company hopes to take advantage of this and expects to continue to grow through acquisition by making strategic investments in strong, simple ingredient businesses which would have positive and immediate impacts on revenue, gross margins and profitability.

With its increasing revenue base and numerous new distribution wins, management expects to see Year on Year quarterly organic revenue growth of 20% or more, continued incremental gross margin improvement and to continue to generate positive adjusted EBITDA margins. The Company continues to feel it is in a strong position to be one of the innovation leaders, as well as a principle consolidator, in the North American natural and organic food market, due to its industry position and accumulated reputational goodwill.

**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 Rolling Meadow Dairy, Canada's first grass fed dairy business, Life Choices, convenience meat products made with grass fed and pasture raised meats without the use of added hormones and antibiotics, Nudge, a line of family favorite foods made better, 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, Kiju, the Canadian market leader in the shelf stable organic juice segment, Cedar, the leaders in the Canadian Cold Press Juice category and the most recently acquired brand, Go Veggie, one of the leaders in the US plant based dairy 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 under the heading "Outlook" and other statements concerning the Company's 2018 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, as well as other risk factors included in the Company's Annual Information Form dated July 18, 2017 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 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.

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