GREEN SPACE BRANDS

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

FOR IMMEDIATE RELEASE

GreenSpace Brands Reports First Quarter Fiscal 2019 Results

Record revenue represents growth of 48% year over year and 10% sequentially

TORONTO, ONTARIO, **August 22, 2018** – GreenSpace Brands Inc. ("GreenSpace" or “the Company”) (TSXV: JTR) today reported its first quarter fiscal year 2019 results for the period ending June 30, 2018.

Key Highlights for the First Quarter of Fiscal 2019:

- **Record gross revenue of $21.0 million, representing a 48% increase over the prior year period and a 10% sequential increase from the fourth quarter of fiscal 2018.**
- **Adjusted gross margin of 23.7% compared to 22.8% for the prior year period and 20.4% in the fourth quarter of fiscal 2018.**
- **SG&A expenses increased from 21.4% to 36.5% of net revenue year over year, largely as a result of non-recurring costs associated with Love Child voluntary recall, restructuring costs and costs related to the MeatBar launch.**
- **Adjusted EBITDA margins fell to (2.1%) as a percentage of net revenue excluding listing fees, from 3.5% in the prior year period and (1.5%) in the fourth quarter of fiscal 2018.**
- **Rebates and Discounts as a percentage of gross revenue was 11.2% compared to 11.8% in the prior year period.**

“Our record revenue reported in the first quarter illustrates the strength in the portfolio of brands we have amassed with national scale across some of the fastest growing areas in the food industry. Adjusted EBITDA declined from the prior year and was negatively impacted by substantial investments in the US business in particular. Our expectation is that as we launch some of our Canadian brands into the US, and re-launch our plant-based brand, we believe we will generate a meaningful return on that investment through an increased revenue base in the US.” said Matthew von Teichman, President and CEO, GreenSpace. “The value in our business is rooted in the strength of our brands. Although we saw some challenges in the first quarter due to the decision to voluntarily recall seven Love Child SKU’s, we’re pleased by the resiliency of Love Child as sales have returned to pre-recall levels and are continuing to grow. GreenSpace remains uniquely positioned as an innovator within the natural and organic marketplace which will continue to drive increasing shareholder value.”

Consolidated Performance Summary

(in thousands of Canadian dollars, except per share amounts)	**Three months ended**	
	June 30 2018	**June 30 2017**
	$	$
Gross revenue	**20,985**	14,233
Less: rebates and discounts	**(2,344)**	(1,674)
Less: listing fees	**(70)**	(130)
Net revenue	**18,571**	12,429
Gross profit	**4,315**	2,735
Adjusted Gross Profit[1]	**4,413**	2,865
Adjusted Gross Profit margin[1]	**23.7%**	22.8%
SG&A expenses	**6,773**	2,657
Amortization of intangible assets	**692**	353
Deferred income tax (recovery)	**(193)**	(93)
Interest expense	**392**	81
Accretion expense	**30**	47
Foreign exchange loss	**234**	-
Net income (loss)	**(3,613)**	(310)
Net loss per share (basic and diluted)	**(0.05)**	(0.00)
EBITDA	**(2,335)**	123
EBITDA, as a percentage of net revenue	**(12.6%)**	1.0%
Adjusted EBITDA[1]	**(388)**	444
Adjusted EBITDA, as a percentage of net revenue excluding listing fees[1]	**-2.1%**	3.5%

1 – See Non-IFRS Measures

Revenue

Gross revenue, for the first quarter ended June 30, 2018, was the highest gross revenue amount earned by the Company in a single quarter. Gross revenue for the quarter ended June 30, 2018 increased 47.5% and net revenue, which is gross revenue net of deductions for rebates, discounts and one-time listing fees, increased 49.4% over the same period in prior year. Gross revenue for Love Child was temporarily negatively impacted by approximately $0.8 million as a result of a voluntary product recall as described below.

The gross and net revenue increases in the quarter were the result of the inclusion of sales of our GO VEGGIE brands through the acquisition of Galaxy Nutritional Foods, Inc. (“Galaxy”) effective January 28, 2018, as well as continued growth from the internally launched brands including Rolling Meadow, and MeatBar. Additionally, there was growth in the acquired brands of Love Child, Central Roast, Kiju and Cedar. The revenue growth was partially offset by the discontinuation of Nudge and Holistic Choice whose results had appeared in previous quarters.

Love Child Voluntary Recall

In May 2018, select Love Child brand baby food pouches were voluntarily recalled due to packaging defects that may have allowed premature spoilage; the recall had no impact on product safety. The Company estimates that the sales impact to the affected SKU’s, as well as the indirect effect on non-affected SKU’s in the first quarter was approximately $0.9 million. The total non-recurring costs recorded to date is $1.476 million. The Company expects to recover a significant amount of this cost through its suppliers and insurers. Since the completion of the recall, Love Child sales have returned to pre-recall levels.

Gross Profit and Adjusted Gross Profit (see Non-IFRS Measures)

The Company’s Adjusted Gross Profit margin for the first quarter ended June 30, 2018 increased by 0.9% over the same period last year. The increase was primarily due to a larger proportion of revenue being earned through the relatively higher margin CEDAR and GO VEGGIE brands, which were acquired during the third and fourth quarters of fiscal 2018, respectively.

Consistent with prior periods, listing fees incurred in the current quarter (considered one-time, non-recurring costs) have been added back to gross profit by the Company in calculating Adjusted Gross Profit. Please see the non-IFRS measures for details on these adjustments.

Selling, General and Administrative ("SG&A") Expenses

Overall, SG&A expenses for the first quarter ended June 30, 2018 increased from 21.4% of net revenue in the first quarter of fiscal 2018 to 36.5% of net revenue in the current quarter. The increase was primarily due to non-recurring costs associated with the Love Child recall of $1.476 million and restructuring costs associated with the hiring of key staff in the Toronto office, costs related to the MeatBar launch, and costs incurred by Galaxy for refrigerated storage and delivery which are currently higher as a percentage of net revenue compared to the rest of the GreenSpace business. Excluding the recall and restructuring costs, SG&A was $4.924 million or 28.5% of net revenue. As discussed last quarter, the Company expects several quarters of higher SG&A costs as a percentage of revenue as it launches new brands, re-brands some of the Galaxy products and integrates and rationalizes the cost structure of the Galaxy acquisition.

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 significant opportunity for further expansion into new product offerings. This has been evidenced by several distribution wins announced over the last three quarters and entrance into new product categories. 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 ongoing 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 seeks to continue to take advantage of this and expects to eventually grow through strategic investments in strong, simple ingredient businesses which are accretive to revenue 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, incremental gross margin improvement and positive adjusted EBITDA margins, once the Go Veggie acquisition is integrated. The Company continues to believe 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.

Use of Non-IFRS Measures, Measures of Operating Performance and Reconciliation of Net (Loss) Earnings to Adjusted EBITDA

This press release contains references to "Adjusted Gross Profit" and "Adjusted EBITDA" which are not measures prescribed by International Financial Reporting Standards (IFRS). Management uses IFRS, non-IFRS and operating performance measures as key performance indicators to better assess the Company's underlying performance and provides this additional information in this MD&A.

Adjusted Gross Profit is a non-IFRS measure which represents gross profit adjusted to exclude non-recurring, one-time listing fees which would not be considered part of on-going, normal operations. The Company's management believes that in addition to gross profit, adjusted gross profit is a useful supplemental measure of gross profit prior to one-time expense items such as listing fees. Adjusted Gross Profit allows management to compare the Company's margin over time on a consistent basis. However, adjusted gross profit is not a recognized measure under IFRS. Investors are cautioned that Adjusted Gross Profit should not be construed as an alternative to gross profit determined in accordance with IFRS. The Company's method of calculating adjusted gross profit may differ from the method used by other issuers, and accordingly, the Company's adjusted gross profit calculation may not be comparable to similarly titled measures used by other issuers.

Adjusted EBITDA is a non-IFRS measure and excludes finance costs, interest income, income tax expense or recovery, depreciation and amortization and income or expenses of a non-recurring, unusual or one-time nature. Adjusted EBITDA is a measure used by management, the food and beverage industry and investors as an indicator of the Company's operating performance, ability to incur and service debt, and as a valuation metric. The Company uses adjusted EBITDA to evaluate the operating performance of its business as well as an executive compensation metric. While adjusted EBITDA is a non-IFRS measure, management believes that it is an important indicator of operating performance because it excludes the effect of financing and investing activities by eliminating the effects of interest and depreciation and removes the impact of certain non-recurring items that are not indicative of our ongoing operating performance. Therefore, management believes Adjusted EBITDA gives investors greater transparency in assessing the Company's results of operations. The Company's method of calculating Adjusted EBITDA may differ from the method used by other issuers and, accordingly, the Company's Adjusted EBITDA calculation may not be comparable to similarly titled measures used by other issuers.

A reconciliation of the Company's Gross Profit to Adjusted gross profit is outlined in the following table:

Reconciliation of Gross profit to Adjusted gross profit
(expressed in thousands of Canadian dollars)

	Three months ended	
	June 30, 2018	June 30, 2017
	$	$
Gross profit	**4,315**	2,735
Add back non-recurring expenses		
Listing fees	**70**	130
Loss on discontinued product	**28**	-
Adjusted gross profit	**4,413**	2,865
Adjusted gross profit percentage	**23.7%**	22.8%

Reconciliation of Net loss from continuing operations to EBITDA and Adjusted EBITDA from continuing operations
(expressed in thousands of Canadian dollars)
A reconciliation of the Company's net loss to Adjusted EBITDA is outlined in the following table:

	Three months ended	
	June 30, 2018	June 30, 2017
	$	$
Net loss	**(3,613)**	(310)
Interest and accretion expense	**422**	128
Depreciation and amortization	**815**	398
Unrealized foreign exchange loss	**234**	-
Deferred income tax recovery	**(193)**	(93)
EBITDA	**(2,335)**	123
Add back non-cash and non-recurring expenses		
Stock based compensation	**28**	29
Recall expense	**1,476**	-
Listing fees	**71**	130
Restructure cost	**372**	162
Adjusted EBITDA	**(388)**	444

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, 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.

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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