FOR IMMEDIATE RELEASE

# GreenSpace Brands Inc. Reports First Quarter Net Revenue Growth of 495% and Adjusted EBITDA Margin of 3.6%

**TORONTO, ONTARIO**, **July 27, 2016** – GreenSpace Brands Inc. ("GreenSpace" or "the Company") (TSXV: JTR) today reported its first quarter financial results for the three months ended June 30, 2016.

## Key Highlights

- **Gross Revenue increased 478% over the first quarter of 2016, to $9.2 million**
- **Net Revenue increased 495% over the first quarter of 2016, to $8.4 million**
- **Adjusted gross margins, removing one-time, non-recurring listing fees, improved from 14.2% in Q1 2016 to 26.1% in Q1 2017**
- **Earned positive EBITDA margins (1.2%) for the first time as a public company**
- **Adjusted EBITDA margins increased quarter over quarter to 3.5%, as a percentage of net revenue excluding listing fees, from 0.4% earned in the fourth quarter of fiscal 2016.**

## Consolidated Performance Summary

| | Three months ended June 30 | |
|---|---|---|
| | **2016** | **2015** |
| ***(in thousands of Canadian dollars, except per share amounts)*** | **$** | $ |
| Gross revenue | **9,213** | 1,594 |
| Less: rebates and discounts | **(674)** | (148) |
| Less: listing fees | **(128)** | (33) |
| Net revenue | **8,411** | 1,413 |
| Gross profit | **2,104** | 172 |
| Adjusted gross profit[1] | **2,232** | 205 |
| Adjusted gross profit margin[1] | **26.1%** | 14.2% |
| SG&A expenses | **2,046** | 770 |
| Reverse take-over listing fee | **-** | 991 |
| Interest expense | **161** | 12 |
| Accretion expense | **307** | - |
| Net income (loss) | **(410)** | (1,601) |
| Net loss per share (basic and diluted) | **(0.01)** | (0.11) |
| Adjusted EBITDA[1] | **298** | (480) |
| Adjusted EBITDA, as a percentage of net revenue excluding listing fees[1] | **3.5%** | (33.2%) |

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 available on www.sedar.com on non-IFRS disclosure for further details, including reasons for presentation of these financial measures.

The Company continued to set record net revenue results through the first quarter of fiscal 2017, showing a 495% increase over the first quarter of prior year and a 93% quarterly increase when compared to the most recent quarter-ended March 31, 2016. Consistent with previous quarters, the revenue increase continues to be the result of strong internal growth of GreenSpace legacy brands and the revenue contributed from the Love Child and Central Roast acquisitions. For the quarter ended March 31, 2016, the Company noted, on a pro-forma basis, that if Central Roast were owned for the entire quarter, gross revenue would have totaled $8.0 million and net revenue would have totaled $6.3 million. Comparing these revenue figures to what was actually earned in the current quarter, the Company experienced a 15.0% quarter over quarter gross revenue increase and a 33.3% quarter over quarter net revenue increase.

Adjusted gross profit margins, excluding the impact of one-time listing fees, in the first quarter ended June 30, 2016 improved considerably when compared to prior year. The profit margin improvements were primarily the result of the Central Roast and Love Child acquisitions, which traditionally earned higher margins compared to the legacy brands. On a quarter over quarter basis, this is the fifth consecutive quarter that the Company has experienced adjusted gross profit margin improvements. Now with the consistent monthly revenue and a diversified product portfolio the Company expects consolidated margins should normalize at or around this rate for future quarters.

In the current quarter, all SG&A expenses, as a percentage of net revenue, improved in comparison to the first quarter of prior year. With the acquisitions of Love Child and Central Roast, the Company continues to earn the required revenue scale to more then cover its consolidated SG&A expenses and now the Company is gaining profitability but spreading higher sales volumes over fixed SG&A expenses. As discussed in previous quarters, the Company has continued to implement a number of cost saving initiatives in the current quarter and the effects of these initiatives is what has contributed to the positive EBITDA and improving adjusted EBITDA margins quarter over quarter.

**Outlook**

Management continues to believe that there are a number of fundamental trends occurring within both the Global and North American food industries that in time will drive consumer demand for its stable of brands and positioning within the consumer packaged goods ("CPG") marketplace. The increase in consumer demand for organic and natural foods has left a gap within most North American grocery retailers and food distributors as they realize these are the categories that show the highest potential growth and profit margin. Based on an industry report provided by Navigator USA, the U.S. organic and natural categories are expected to grow at a compound annual growth rate of 14% over the next 3 years and it is expected that the Global organic food market will reach $210 billion by the year 2020.

Management was also encouraged to see further consolidation of natural foods brands within the consumer packaged goods marketplace over this past quarter. The scale of these acquisitions highlights the ongoing strategy of larger CPG companies to buy into key product segments where they have limited brand equity and limited ability to innovate.

With these trends in mind, Management continues to be optimistic that this anticipated 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 evidence by a number of new distribution wins announced over the previous quarter. In particular, Management believes that GreenSpace Brands is one of very few companies positioned to capitalize on the emerging grass-fed trend in Canada. Through its dairy brand, Rolling Meadow, and Life Choices, GreenSpace Brands has carved out a niche in the Canadian grass-fed market, which it hopes to exploit with continued product and brand development.

GreenSpace will continue to grow through 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 over the coming fiscal year. Secondly, the Company expects to grow through acquisition by making strategic investments in strong, simple ingredient businesses where positive and immediate impacts can be realized. Both the Love Child and Central Roast acquisitions completed in the previous fiscal year are great examples of the type of businesses that the Company is looking to acquire. Immediate wins have been experienced in both acquisitions that have resulted in impactful improvements to the Company's top and bottom line. By annualizing the first quarter, the Company has an annualized gross revenue run-rate of over $36 million. This is without expected significant revenue contributions from a number of new distribution wins that the Company is expecting to start in the up-coming quarter. This is the first quarter the Company has been able to earn positive EBITDA margins and its adjusted EBITDA margins have strengthened from 0.4% in the fourth quarter of fiscal 2016 to 3.6% in the current quarter.

With its larger revenue base and numerous new distribution wins being brought on-line in future quarters management expects to continue to generate increasingly positive EBITDA margins and positive operating cash-flows through the remainder of the current fiscal year. Management continues to feel it is in a strong position to be one of the principle consolidators 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 Canada. GreenSpace owns Rolling Meadow Dairy, Canada's first grass fed dairy product line that has built upon the founding values of Greenspace's original brand, Life Choices. Life Choices features premium convenience meat products made with grass fed and pasture raised meats without the use of added hormones and antibiotics. GreenSpace owns Holistic Choice, a premium natural pet food line and Nudge, a line of family favorite foods made better. GreenSpace also owns Love Child (Brands) Inc., a producer of 100% organic food for infants and toddlers made with the purest, natural and most nutritionally-rich ingredients and recently acquired Central Roast Inc., a clean snacking brand that has been one of the leading Natural food brands in Canada over the last several years. All brands, except Central Roast, 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 2016 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 November 9, 2015 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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