Consolidated Financial Statements of

GREENSPACE BRANDS INC.

For the years ended March 31, 2018 and 2017

GreenSpace Brands Inc.

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For the years ended March 31, 2018 and 2017

Independent Auditors' Report

To the Shareholders of GreenSpace Brands Inc.:

We have audited the accompanying consolidated financial statements of GreenSpace Brands Inc., which comprise the consolidated statements of financial position as at March 31, 2018 and 2017, and the consolidated statements of operations and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of GreenSpace Brands Inc. as at March 31, 2018 and 2017 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter
Without modifying our opinion, we draw attention to Note 2 to the consolidated financial statements which the existence of a material uncertainty relating to conditions that cast significant doubt on GreenSpace Brands Inc.'s ability to continue as a going concern.

MNP LLP

Mississauga, Ontario — Chartered Professional Accountants

June 20, 2018 — Licensed Public Accountants

MNP

GreenSpace Brands Inc.

Consolidated Statements of Financial Position

(Expressed in thousands of Canadian dollars)

	March 31 2018 $	March 31 2017 $
Assets		(Note 5)
Current assets		
Accounts receivable, net of allowance for doubtful accounts of $418 (March 31, 2017 - $286)	**12,106**	6,461
HST receivable	**489**	265
Income tax receivable	**-**	8
Prepaid expenses	**749**	275
Inventory (note 7)	**12,037**	5,148
Due from related parties	**-**	38
Total current assets	**25,381**	12,195
Property, plant and equipment (note 8)	**1,471**	777
Intangible assets (note 5 and 9)	**35,217**	18,850
Goodwill (note 5)	**27,278**	15,236
Total assets	**89,347**	47,058
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 10)	**8,747**	5,720
HST payable	**109**	196
Loans with related parties (note 5 and 16)	**616**	1,391
Loans payable (note 11)	**167**	71
	9,639	7,378
Loans with related parties - non-current (note 5 and 16)	**7,412**	-
Loans payable - non-current (note 11)	**273**	167
Long term debt (note 12)	**11,720**	3,147
Deferred tax liabilities (note 5 and 14)	**7,865**	4,399
Total liabilities	**36,909**	15,091
Shareholders' equity		
Share capital (note 13)	**68,335**	43,185
Contributed surplus (note 13(c) and 13(d))	**1,930**	2,186
Accumulated deficit	**(17,847)**	(13,404)
Accumulated other comprehensive income	**20**	-
	52,438	31,967
Total liabilities and shareholders' equity	**89,347**	47,058

The accompanying notes are an integral part of these consolidated financial statements.
(Going concern – See Note 2)

Approved by the Board:

Matthew von Teichman-Logischen
Chairman

James Haggarty
Director

GreenSpace Brands Inc.

Consolidated Statements of Operations and Comprehensive Loss

For the years ended March 31, 2018 and 2017

(Expressed in thousands of Canadian dollars, except per share and number of shares amounts)

	2018	2017
	$	$
		(Note 5)
Gross revenue	**65,082**	41,959
Less: rebates and discounts	**(7,408)**	(4,076)
Less: listing fees	**(1,369)**	(796)
Net revenue	**56,305**	37,087
Cost of goods sold (note 7)	**44,871**	28,760
Gross profit	**11,434**	8,327
Expenses		
General and administrative	**3,404**	1,690
Storage and delivery	**2,926**	1,749
Salaries and benefits	**4,392**	3,313
Advertising and promotion	**2,059**	1,017
Professional fees	**459**	530
Stock-based compensation (note 13 (c))	**172**	198
Amortization of intangible assets	**1,742**	1,102
Total expenses	**15,154**	9,599
Loss before interest expense, accretion expense and income taxes	**(3,720)**	(1,272)
Interest expense (note 1)	**518**	485
Accretion expense	**171**	1,335
Unrealized foreign exchange loss	**317**	-
Loss before income taxes	**(4,726)**	(3,092)
Deferred income tax (recovery) (note 14)	**(283)**	(292)
Loss from continuing operations	**(4,443)**	(2,800)
Loss from discontinued operations, net of income taxes (note 6)	-	(503)
Net loss for the year	**(4,443)**	(3,303)
Other comprehensive income (loss)		
Unrealized gain (loss) on translation to Canadian dollar presentation currency	**20**	-
Total comprehensive loss for the year	**(4,423)**	(3,303)
Net loss per share		
Basic and diluted from discontinued operations	-	(0.01)
Basic and diluted from continuing operations	**(0.07)**	(0.07)
Weighted average number of shares basic and diluted	**62,885,478**	42,077,420

The accompanying notes are an integral part of these consolidated financial statements.

GreenSpace Brands Inc.

Consolidated Statements of Changes in Shareholders' Equity
(Expressed in thousands of Canadian dollars, except for number of shares)

	Share capital Number	Amount $	Contributed Surplus $	Accumulated Deficit $	Accumulated Other Comprehensive Income $	Total Shareholders' Equity $
March 31, 2016	35,849,662	22,483	2,202	(10,101)	-	14,584
Issuance of share options	-	-	198	-	-	198
Proceeds from exercise of warrants	1,778,750	1,776	(214)	-	-	1,562
Proceeds from exercise of share options	41,618	40	-	-	-	40
Proceeds from September 2016 Short Form Prospectus	6,210,000	7,017	-	-	-	7,017
Proceeds from Nothing But Nature Equity Raise	7,085,417	8,503	-	-	-	8,503
Shares issued for acquisition of Nothing But Nature (note 5)	2,097,638	2,664	-	-	-	2,664
Shares issued for repayment of loans from related parties	1,202,686	1,492	-	-	-	1,492
Shares issued for convertible loan	521,739	600	-	-	-	600
Share issurance costs	-	(1,390)	-	-	-	(1,390)
Net loss and comprehensive loss	-	-	-	(3,303)	-	(3,303)
March 31, 2017 (Note 5)	**54,787,510**	**43,185**	**2,186**	**(13,404)**	**-**	**31,967**
Issuance of share options	-	-	172	-	-	172
Proceeds from exercise of warrants	1,297,064	1,652	(241)	-	-	1,411
Proceeds from exercise of share options	262,501	544	(187)	-	-	357
Proceeds from August 2017 Short Form Prospectus	7,300,000	10,804	-	-	-	10,804
Shares issued for business combination (note 5)	7,859,583	11,775	-	-	-	11,775
Shares issued for repayment of loans from related parties (note 16)	1,013,714	1,178	-	-	-	1,178
Share issurance costs	-	(803)	-	-	-	(803)
Net loss and other comprehensive income	-	-	-	(4,443)	20	(4,423)
March 31, 2018	**72,520,372**	**68,335**	**1,930**	**(17,847)**	**20**	**52,438**

The accompanying notes are an integral part of these consolidated financial statements.

GreenSpace Brands Inc.

Consolidated Statements of Cash Flows
For the years ended March 31, 2018 and 2017
(Expressed in thousands of Canadian dollars)

	2018	2017
	$	$
Cash flow from operating activities		(Note 5)
Net loss	**(4,443)**	(3,303)
Loss from discountinued operations	**-**	503
Items not affecting cash:		
Depreciation and amortization (notes 8 and 9)	**2,052**	1,294
Deferred income tax recovery	**(283)**	(276)
Unrealized foreign exchange loss	**459**	-
Stock-based compensation	**172**	198
Inventory provision	**469**	347
Interest expense	**518**	485
Accretion expense	**171**	1,335
Changes in non-cash working capital (note 19)	**(7,933)**	(3,332)
Cash utilized in operating activities - continuing operations	**(8,818)**	(2,749)
Cash utilized in operating activities - discontinued operations	**-**	(183)
Total cash utilized in operating activities	**(8,818)**	(2,932)
Cash flow from investing activities		
Cash used for business combination	**(9,788)**	(6,216)
Additions to property, plant and equipment	**(827)**	(222)
Additions to indefinite life intangible assets	**(321)**	(285)
Total cash utilized in investing activities	**(10,936)**	(6,723)
Cash flow from financing activities		
Decrease in bank overdraft	**-**	(998)
Warrants and options exercised	**1,767**	1,602
Proceeds from issuance of common shares, net	**10,001**	14,130
Repayment of loans from related parties, net	**(506)**	(6,064)
Advance from (Repayment of) loans payable	**202**	(1,976)
Advance from long term debt, net	**8,619**	3,439
Interest paid	**(329)**	(478)
Total cash provided by financing activities	**19,754**	9,655
Increase in cash and cash equivalents	**-**	-
Cash and cash equivalents, beginning of the year	**-**	-
Cash and cash equivalents, end of the year	**-**	-

Non-cash investing and financing activities (note 5)

The accompanying notes are an integral part of these consolidated financial statements.

1. Nature of Operations

On April 13, 2015, Aumento Subco, a wholly-owned subsidiary of Aumento Capital IV Corporation ("Aumento" or the "Corporation") and Life Choices Natural Foods Corp. ("Life Choices") entered into a definitive agreement (the "Definitive Agreement"). Pursuant to the terms of the Definitive Agreement, on April 30, 2015, Life Choices, Aumento and Aumento Subco completed a three-cornered amalgamation (the "Amalgamation") whereby Life Choices and Aumento Subco amalgamated to form a new entity named Life Choices Natural Food Corp. (referred to herein as "Amalco"). After the Amalgamation, the property of each of Life Choices and Aumento Subco became the property of Amalco, and Amalco became liable for the obligations of each of Life Choices and Aumento Subco. Amalco will continue to carry on the business and operations of Life Choices as a wholly-owned subsidiary of the Corporation.

Prior to closing the Amalgamation, the Corporation's name was changed to GreenSpace Brands Inc. Since April 30, 2015 after the completion of the reverse take over transaction, the Corporation acquired 5 companies to date.

GreenSpace Brands Inc. ("GreenSpace" or the "Company") is an organic and natural food company whose principal business is to create natural food products and brands for sale into the Canadian natural food marketplace. The Company's main brands include Life Choices Natural Foods, Rolling Meadow Dairy, Kiwi Pure, Love Child Organics, Central Roast, Kiju, Cedar and Go Veggie. Refer to Note 5 for further details on acquisitions completed during the years ended March 31, 2018 and 2017.

The Corporation was incorporated under the Ontario Business Corporations Act and domiciled in Ontario, Canada on June 11, 2013.

The head office of the Company is 176 St. George Street, Toronto, Ontario, Canada M5R 2M7.

2. Statement of Compliance, Going Concern and Basis of Presentation

Statement of Compliance
The Company has prepared these consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee.

The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements.

These consolidated financial statements were approved by the Board of Directors on June 20, 2018.

Going concern
These consolidated financial statements have been prepared on the going concern basis, which assumes that the Company will be able to continue as a going concern and realize its assets and discharge its liabilities in the normal course of business, and do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements. If the going concern assumption is not appropriate, material adjustments to the consolidated financial statements could be required.

As at March 31, 2018, the Company had a positive working capital balance of $15,742 (March 31, 2017 – $4,817), an accumulated deficit of $17,847 (March 31, 2017: $13,404). During the year ended March 31, 2018, the Company, as a result of numerous revenue opportunities invested significantly in working capital and as a result the Company generated negative cash flows from operations of $8,818 (2017: $2,932). One of the Company`s strategic growth objectives is to be a consolidator in the Canadian natural and organic marketplace. In order to do so, the strategic decision was made by management to make the overhead investments in advance of the strategic acquisitions.

Management's continued strategy is to stay focused on increasing revenue and at the same time exercise careful cost control to sustain profitable operations in the near term. In the event that cash flow from operations, together with the proceeds from existing and any future financings are insufficient to cover planned expenditures, management will allocate available resources in such manner as deemed to be in the Company's best interest. This may result in a significant reduction in the scope of existing and planned operations. These factors raise some doubt about the Company's ability to continue as a going concern. If the going concern assumption is not appropriate, material adjustments to the condensed interim consolidated financial statements could be required.

Basis of Presentation
These consolidated financial statements are prepared on the historical cost basis except for certain financial instruments, which have been measured at fair value.

All amounts in these consolidated financial statements are expressed in Canadian dollars, unless otherwise noted.

Principles of Consolidation
These consolidated financial statements include the accounts of the Company and its wholly- owned subsidiaries, Life Choices Natural Food Corp., Rolling Meadow Dairy Ltd., 1706817 Ontario Ltd., the Everyday Fundraising Group, Grandview Farms Sales Ltd., Love Child (Brands) Inc., GSB Investment Corp., Central Roast Inc., Nothing But Nature Inc., GSB Beverage Inc., The Cold Press Corp., and Galaxy Nutritional Foods, Inc. from their respective dates of acquisition. All inter-company balances and transactions have been eliminated.

3. Significant Accounting Judgments, Estimates and Assumptions

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. Actual results could differ from these estimates. The effect of changes in such estimates on the consolidated financial statements in future periods could be significant. Accounts specifically affected by estimates in these consolidated financial statements are:

Allowance for Doubtful Accounts: Management assesses the credit worthiness and the financial position of all customers to arrive at and provide for an allowance for doubtful accounts on receivables.

Provisions for Inventory: Management makes estimates of the future customer demand for the Company's products when establishing appropriate provisions for inventory. In making these estimates, management considers product life of inventory and the profitability of recent sales of inventory. In many cases, product sold by the Company turns over quickly and inventory on-hand values are lower, thus reducing the risk of material misstatement. Management ensures that systems are in place to highlight and properly value inventory that may be approaching "best before" dates. To the extent that actual losses on inventory differ from those estimated, both inventory and net loss will be affected.

Business Combinations: In a business combination, substantially all identifiable assets, liabilities and contingent liabilities acquired are recorded at the date of acquisition at their respective fair values. One of the most significant areas of judgment and estimation relates to the determination of the fair value of these assets and liabilities, including the fair value of contingent consideration, if applicable. If any intangible assets are identified, depending on the type of intangible asset and the complexity of determining its fair value, an independent external valuation expert may develop the fair value, using appropriate valuation techniques, which are generally based on a forecast of the total expected future net cash flows. These valuations are linked closely to the assumptions made by management regarding the future performance of the assets concerned and any changes in the discount rate applied. In certain circumstances where estimates have been made, the Company may obtain third-party valuations of certain assets, which could result in further refinement of the fair-value allocation of certain purchase prices and accounting adjustments.

Intangible assets valuation: The values associated with intangible assets involve significant estimates and assumptions, including those with respect to future cash inflows and outflows, discount rates and asset lives. These estimates and assumptions could affect the Company's future results if the current estimates of future performance and fair values change. These determinations will affect the amount of amortization expense on definite life intangible assets recognized in future periods. The Company assesses impairment by comparing the recoverable amount of an intangible asset with its carrying value. The recoverable amount is defined as the higher of value in use, or fair value less cost to sell. The determination of recoverable amount involves significant management estimates.

Goodwill impairment: Goodwill and indefinite life intangible assets are tested for impairment annual or more frequently if there is an indication of impairment. The carrying value of intangible assets with definite lives (customer relationships and non-compete agreement) and equipment is reviewed each reporting period to determine whether there is any indication of impairment. If the carrying amount of an asset exceeds its recoverable amount, the asset is impaired and an impairment loss is recognized in the condensed consolidated statement of operations and comprehensive loss. The assessment of fair value requires the use of estimates and assumptions related to future operating performance and discount rates; differences in these estimates and assumptions could have a significant impact on the consolidated financial statements. The Company performed an impairment assessment as at March 31, 2018 and recognized no write-down of intangibles or impairment of goodwill.

3. Significant Accounting Judgments, Estimates and Assumptions - continued

For the purpose of the annual impairment test, the Company applied the value in use method in completing its analysis. Using a five year (and related terminal value) discounted future cash flow model with multiple model scenarios, the Company create a range of outcomes in determining the recoverable amount. The key assumptions used to calculate the value in user are those regarding discount rates, growth rates and expected changes in margins. The after-tax weighted average cost of capital was determined to be 16%, margins based on historical averages and the cash flow forecast was extrapolated beyond the five-year period using estimated long-term growth rate of 2%. No impairment was recorded at March 31, 2018 or 2017.

4. Significant Accounting Policies

The Company's accounting policies are consistently applied to all the periods presented unless otherwise noted below.

a) Functional currency

The consolidated financial statements are presented in Canadian dollars, which is also the parent company's functional currency. Each entity within the consolidated group determines its own functional currency and items included in the consolidated financial statements of each entity are measured using the functional currency. All of the Company and its subsidiaries functional currency is Canadian dollar, except for Galaxy Nutritional Foods, Inc., which uses United States dollar as the functional currency.

b) Foreign currency translation

In respect of transactions denominated in currencies other than the Canadian dollar, the monetary assets and liabilities of the Company are translated at the year-end rates. All of the exchange gains or losses resulting from these transactions are recognized in profit or loss.

Non-monetary assets and liabilities that are measured at historical cost are translated into Canadian dollars using the exchange rate in effect at the date of the initial transaction and are not subsequently restated. Non-monetary assets and liabilities that are measured at fair value or a revalued amount are translated into Canadian dollars by using the exchange rate in effect at the date the value is determined and the related translation differences are recognized in net income/loss or other comprehensive income/loss consistent with where the gain or loss on the underlying non-monetary asset or liability were recognized. Revenue and expenses are translated at rates of exchange prevailing on the respective transaction dates.

c) Revenue recognition

The Company recognizes gross revenue from the sale of goods when significant risks and rewards of ownership of the goods are transferred to the customer, it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably, which generally arises on delivery or in accordance with specific terms and conditions agreed with customers. Consideration given to customers such as value incentives, rebates, early payment discounts, one-time listing fees and other discounts are recorded as reductions in revenue.

4. Significant Accounting Policies - continued

d) Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of being sold or repurchased in the near term. They are carried in the consolidated statement of financial position at fair value with changes in fair value recognized in profit or loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in profit or loss.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized in other comprehensive income (loss). Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from accumulated other comprehensive income (loss) and recognized in profit or loss.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at the end of each reporting period. Financial assets are impaired when there is any objective evidence that the cash flows related to a financial asset or group of financial assets have been negatively impacted. Different criteria to determine impairment are applied for each category of financial assets described above.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the corresponding asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of being sold or repurchased in the near term. They are carried in the consolidated statement of financial position at fair value with changes in fair value recognized in profit or loss.

Other financial liabilities - This category includes all other financial liabilities, all of which are recognized at amortized cost.

4. Significant Accounting Policies - continued

d) Financial instruments (continued)

The Company's financial instruments consist of the following:

Financial assets:	Classification:
Accounts receivable	Loans and receivables
HST receivable	Loans and receivables
Due from related parties	Loans and receivables

Financial liabilities:	Classification:
Accounts payable and accrued liabilities	Other financial liabilities
Long term debt	Other financial liabilities
Loans from related parties	Other financial liabilities
Loans payable	Other financial liabilities
Deferred consideration (or contingent)	Fair value through profit or loss

Financial instruments recorded at fair value in the consolidated statement of financial position are classified according to a three level hierarchy that reflects the significance of the inputs used in making the fair value measurements. The three levels of fair value hierarchy are as follows:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
- Level 3 - Inputs for assets or liabilities that are not based on observable market data.

The Company's deferred consideration (or contingent) are measured at fair value using Level 3 inputs. The fair value of these respective liabilities was discounted at an annual discount rate of 16% to arrive at the carrying values presented on the consolidated statements of financial position.

e) Accounts receivable

Accounts receivable are presented, net of allowance for doubtful accounts of $418 at March 31, 2018 ($286 – March 31, 2017). The Company has a number of aged accounts receivable balances that have been provided for due to aging however these balances are not in dispute and many of them are still being actively pursued for collection.

The Company estimates an allowance for doubtful accounts by: (1) reviewing the current business environment, customer and industry concentrations, and historical experience and, (2) establishing an additional allowance for specifically identified accounts that are significantly impaired. A change to these factors could impact the estimated allowance. The provision for bad debts is recorded in general and administrative expenses.

4. Significant Accounting Policies – continued

f) Prepaid expenses

Prepaid expenses consist of prepaid rent, retainers paid with respect to professional services and prepayments made to suppliers.

g) Inventory

Inventory is valued at the lower of cost and net realizable value. Net realizable value is the estimated selling price, in the ordinary course of business, less appropriate selling costs. Inventory consists of raw materials, mainly raw meat provided to the Company's suppliers to produce a finished product, finished products, and packaging.

h) Property, plant and equipment

Property, plant and equipment is recorded at cost. Depreciation is provided annually at rates and methods over their estimated useful lives as follows, except in the year of acquisition, when one half of the rate is used. Management reviews the estimates of useful lives of the assets every year and adjusts them on a prospective basis, if needed.

Asset category	**Depreciation method**	**Estimated useful life**
Printing and production plates	Declining balance	5 years
Furniture and equipment	Declining balance	5 years
Warehouse equipment	Declining balance	5 years
Computer equipment	Declining balance	3 years
Software	Declining balance	5 years
Leasehold improvement	Straight line	3 – 7 years
Fixtures at customer locations	Straight line	4 years
Design	Straight line	5 years

i) Intangible assets

Intangible assets are measured at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets acquired through asset acquisitions or business combinations are initially recognized at fair value, based on an allocation of the purchase price. The intangible assets are amortized on a straight-line basis over their estimated useful lives. The amortization method, estimated useful lives and residual values are reviewed each financial year-end or more frequently if required, and are adjusted as appropriate.

A summary of useful lives is as follows:

Customer relationships	8 - 10 years
Brand	Indefinite
Product recipes	Indefinite
Non-compete agreement	3 years

4. Significant Accounting Policies – continued

j) Accounting for business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of acquisition-date fair values of the assets transferred and liabilities assumed by the Company, liabilities incurred by the Company to former owners of the acquiree in exchange for control of the acquiree. Acquisition-related costs are recognized in the consolidated statement of operations as incurred. At the acquisition date, the identifiable assets acquired, liabilities and contingent liabilities assumed are recognized at their fair values, except for deferred tax assets or liabilities, which are recognized and measured in accordance with IAS 12 Income tax.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in the consolidated statement of operations as a bargain purchase gain.

i) Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the asset and liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect both accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it provides a valuation allowance against that excess.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend.

4. Significant Accounting Policies – continued

j) Investment tax credits

The Company applies for investment tax credits in relation to qualifying scientific research and experimental development expenditures incurred. Only when the Company has reasonable assurance that these investment tax credits will be received are they recognized and accounted for as a reduction in the related expenditure for items of a current expense nature.

k) Loss per share

The loss per share calculation is based on the weighted average number of common shares issued and outstanding during the year. The diluted loss per share is calculated using the treasury stock method. The treasury stock method assumes that outstanding stock options, warrants, broker units and similar instruments with an average exercise price below the market price of the underlying shares are exercised and the assumed proceeds are used to repurchase common shares of the Company at the average market price of the common shares for the year.

The if-converted method, which applies to convertible securities, assumes that all such instruments have been converted in determining diluted earnings per share if they are in-the-money except where such conversion would be anti-dilutive. As of March 31, 2018, the outstanding stock options and warrants are in-the-money but excluded from the calculation of diluted loss per share as they would be anti-dilutive.

l) Stock-based compensation

The Company measures equity-settled stock-based payments to employees and others, providing similar services, at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is calculated using the Black-Scholes option valuation model and is expensed on a graded vesting basis over the vesting period, based on the Company's estimate of equity instruments that will be expected to vest, and is credited to contributed surplus.

m) Segment reporting

The Company's CEO was identified as the chief operating decision maker. The CEO evaluates the performance of the Company and allocates resources based on the information provided by the Company's management system. The Company has determined that it only has one operating segment, which is creating natural food products and brands for sale into the Canadian and US natural food industry. For the years ending March 31, 2018 and 2017 substantially all of the Company's assets were located in and substantially all the company's revenues were earned in Canada. Less than 10% of revenues were earned in the US.

4. Significant Accounting Policies – continued

n) Future accounting policies

The International Accounting Standards Board (IASB) or IFRS Interpretations Committee (IFRIC) issued certain new standards, interpretations, amendments and improvements to existing standards, the standards that may be applicable to the Company are as follows:

IFRS 9 – Financial Instruments
In July 2014, the IASB issued in its final form IFRS 9 - Financial Instruments (IFRS 9) which replaces IAS 39 - Financial Instruments: Recognition and Measurement. IFRS 9 establishes principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. This new standard is effective for the Company's interim and annual Consolidated Financial Statements commencing January 1, 2018. The adoption of this policy did not have a material impact on the Company.

IFRS 15 – Revenue from Contracts with Customers
In May 2014, the IASB issued IFRS 15 - Revenue from Contracts with Customers (IFRS 15), which covers principles for reporting about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. IFRS 15 is effective for annual periods beginning on or after January 1, 2018, with earlier adoption permitted. Entities will transition following either a full or modified retrospective approach. This policy will not have a material impact on the Company.

IFRS 16 – Leases
In January 2016, the IASB issued IFRS 16 – Leases (IFRS 16), its new leases standard that requires lessees to recognize assets and liabilities for most leases on their balance sheets. Lessees applying IFRS 16 will have a single accounting model for all leases, with certain exemptions. Lessor accounting is substantially unchanged. The new standard will be effective from January 1, 2019 with limited early application permitted. The Company is in the process of reviewing the standard to determine the impact on the consolidated financial statements.

Amendments to IFRS 2 - Share-based Payments
In June 2016, the IASB issued amendments to IFRS 2 - Share-based Payments (IFRS 2), clarifying how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for: the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; share-based payment transactions with a net settlement feature for withholding tax obligations; and a modification to the terms and conditions of a share-based payment that changes the classification from cash-settled to equity-settled. The amendments to IFRS 2 are effective prospectively for annual periods beginning on or after January 1, 2018, with earlier adoption permitted. This policy will not have a material impact on the Company.

Other accounting standards or amendments to existing accounting standards that have been issued, but have future effective dates, are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

The Company does not intend to adopt any of these standards before their respective effective dates.

(expressed in thousands of Canadian dollars, except per share and number of shares)

5. Business Combinations

(i) Acquisition of Nothing But Nature Inc. ("Nothing But Nature")

On January 18, 2017, the Company completed a share acquisition of 100% of the outstanding common shares of Nothing But Nature. Nothing But Nature owns the Kiju brand and sells a wide variety of organic juices and drinks throughout Canada and select USA customers. The brand focuses on providing consumers with sustainable, healthy drinks without compromising quality and taste.

The aggregate purchase price for Nothing But Nature was comprised of:

- $6,216 cash;
- $2,664 in GreenSpace common shares ("Share Consideration"), each common share issued at a price of $1.27 per share;
- Earn-out consideration valued at up to $1,000 ("Earn-out Consideration"). The Earn-out Consideration is contingent on the annualized net revenue for the twelve-month period ended December 31, 2017 exceeding certain revenue thresholds. The Earn-out Consideration will be settled in common shares valued at the lower of the 20 day volume weighted average price before and after the announcement date of the Company's December 31, 2017 quarterly financial results. At January 18, 2017, the probability of Nothing But Nature achieving those net revenue targets was determined to be likely with a value of $330. Discounted at a rate of 16%, which represents time value of money, $288 was classified as loan from related parties on the consolidated statements of financial position. At March 31, 2018, the probability of achieving those targets was determined not to be likely and the amount was reversed and was recorded as a recovery in general and administrative expense during the year ended March 31, 2018;

In accordance with IFRS 3 Business Combinations, the acquisition was accounted for using the purchase method. The allocation of the purchase price to the estimated fair value of the net assets acquired is as follows:

Cash	$ 6,216
Share Consideration	2,664
Earn-out Consideration	288
Total purchase price	9,168
Fair Value of assets acquired and liabilities assumed:	
Cash	$ 316
Accounts receivable (net allowance of $77)	785
Inventory	856
Income tax receivable	8
Prepaid expenses	3
Property, plant and equipment	48
Accounts payable and accrued liabilities	(1,252)
Total net assets acquired and liabilities assumed	764
Fair value of intangible assets	
Customer relationships (note 9)	3,060
Brand (note 9)	2,100
Non-compete (note 9)	200
Deferred tax liability	(1,420)
Fair value of goodwill	$ 4,464

5. Business Combinations - continued

The Company finalized its assessment of the purchase price allocation during the quarter ended December 31, 2017. This resulted in an adjustment being booked to the previously presented March 31, 2017 consolidated statement of financial position between goodwill and intangible assets. The allocation of the consideration paid remains consistent with the initial valuation. Intangible assets of customer relationships, brand, non-compete and goodwill have been separately accounted for. Customer relationships is being amortized over a useful life of 10 years, non-compete is being amortized over a useful life of 3 years and brand were identified as an indefinite life intangible asset. The acquired goodwill is primarily related to personnel and value attributed to acquiring a company that is experiencing accelerated growth. A deferred tax liability of $1,420 was set up to account for the temporary differences on amortization of the identified intangible assets using an expected tax rate of 26.5%. This was also adjusted in the previously presented March 31, 2017 consolidated statement of financial position.

The prior period net loss was adjusted for additional amortization expense of $62 related to the purchase price allocation to intangible assets and income tax recovery of $16 for the reduction of deferred tax liabilities due to amortization of intangible assets.

Financing for the acquisition was completed through a private equity placement and a short-form prospectus public equity completed in January 2017 (See note 13).

(ii) Acquisition of The Cold Press Corp. ("Cedar")

On August 23, 2017, the Company completed a share acquisition of 100% of the outstanding common shares of Cedar. Cedar is the brand leader in the cold pressed juice category and has recently developed a line of probiotic drinks within their cold pressed juice business that compliments the Company's strategy of launching products in the 'gut health' space. The Company intends to grow the distribution of Cedar and launch new products under the Cedar brand.

The aggregate purchase price for Cedar was comprised of:

- $4,113 cash;
- $1,029 in GreenSpace common shares ("Share Consideration"), each common share issued at a price of $1.48 per share;
- $243 vendor take back note ("Cedar VTB"). The Cedar VTB is unsecured, non-interest bearing and repayable over twelve monthly installments from the closing of the Cedar acquisition. The Cedar VTB was classified as a loan with related parties on the consolidated statements of financial position;
- Earn-out consideration valued at up to $1,000 ("Earn-out Consideration"). The Earn-out Consideration is contingent on the annualized net revenue for the twelve-month period ended September 30, 2018 exceeding certain revenue thresholds. The Earn-out Consideration will be settled in common shares valued at the 20 day volume weighted average price 5 days before September 30, 2018. At August 23, 2017, the probability of Cedar achieving those net revenue targets was determined to be likely with a value of $544. Discounted at a rate of 16%, which represents time value of money, $460 was classified as loan with related parties on the consolidated statements of financial position (note 16);

(expressed in thousands of Canadian dollars, except per share and number of shares)

5. Business Combinations - continued

In accordance with IFRS 3 Business Combinations, the acquisition was accounted for using the purchase method. The preliminary allocation of the purchase price to the estimated fair value of the net assets acquired is as follows:

Purchase price:		
Cash	$	4,113
Share Consideration		1,029
Cedar VTB		243
Earn-out Consideration		460
Total purchase price		5,845

Fair Value of assets acquired and liabilities assumed:		
Cash	$	(39)
Accounts receivable		560
Inventory		152
Prepaid expenses		6
Property, plant and equipment		26
Accounts payable and accrued liabilities		(370)
Income taxes payable		(14)
HST payable		(92)
Total net assets acquired and liabilities assumed		229
Fair value of intangible assets		
Customer relationships (note 9)		2,045
Brand (note 9)		1,403
Non-compete (note 9)		134
Deferred tax liability		(949)
Fair value of goodwill	$	2,983

The goodwill and other intangible assets relate to Cedar's brand , customer relationships, and assembled workforce. As of March 31, 2018, the allocation of the purchase consideration has not been finalized and is currently based on preliminary estimates in regards to the fair value of the assets acquired. The actual fair value of the contingent consideration may differ from the amount disclosed in the preliminary purchase price allocation and is subject to change. It is expected that the unallocated purchase price will be allocated between goodwill and intangibles upon completion of the valuation of the acquisition. It is expected that the customer relationships will be valued over a period of 10 years, which Management considers reasonable useful lives.

(iii) Acquisition of Galaxy Nutritional Foods, Inc. ("Galaxy")

On January 24, 2018, the Company completed the acquisition of all of the issued and outstanding shares of Galaxy Nutritional Foods, Inc. ("Galaxy"). Total consideration was for $17.8 million USD, comprised of $4.5 million USD in cash, $7.62 million USD in common shares ("Share Consideration), and a two year vendor take back loan of $5.72 million USD, carrying an 8.5% coupon. The Company issued 7.16 million Common shares at $1.37 per share as part of the transaction, a 14.2% premium to the closing market price on the day the deal was announced on December 20th, 2017.

(expressed in thousands of Canadian dollars, except per share and number of shares)

5. Business Combinations - continued

The Share Consideration will be subject to lock-up and escrow pursuant to which approximately 45% of the Share Consideration shall be locked up for 12 months from the closing date, 5% of the Share Consideration shall be in escrow for 13 months from the closing date and the remaining 50% shall be locked-up for 18 months from the closing date, subject to certain exemptions.

In accordance with IFRS 3 Business Combinations, the acquisition was accounted for using the purchase method. The preliminary allocation of the purchase price to the estimated fair value of the net assets acquired is as follows:

Purchase price:		
Cash	$	5,814
Share Consideration		10,746
Galaxy VTB		7,051
Total purchase price		23,611

Fair Value of assets acquired and liabilities assumed:

Cash	$	164
Accounts receivable		2,052
Inventory		1,885
Prepaid expenses		153
Property, plant and equipment		145
Accounts payable and accrued liabilities		(1,212)
Total net assets acquired and liabilities assumed		3,187
Fair value of intangible assets		
Customer relationships (note 9)		8,185
Brand (note 9)		5,155
Non-compete (note 9)		866
Deferred tax liability		(2,985)
Fair value of goodwill		$ 9,203

The goodwill and other intangible assets relate to Galaxy's brand , customer relationships, and assembled workforce. As of March 31, 2018, the allocation of the purchase consideration has not been finalized and is currently based on preliminary estimates in regards to the fair value of the assets acquired and the contingent consideration paid. The actual fair value may differ from the amount disclosed in the preliminary purchase price allocation and is subject to change. It is expected that the unallocated purchase price will be allocated between goodwill and intangibles upon completion of the valuation of the acquisition. It is expected that the customer relationships \will be amortized over a period of 10 years, which Management considers reasonable useful lives.

(expressed in thousands of Canadian dollars, except per share and number of shares)

6. Discontinued Operations

In October 2016, the Company exited the United States ("US") business carried on by Love Child. The operating results of the US business of Love Child have been presented as a discontinued operation.

The following table summarizes the operations of the US business of Love Child as classified as discontinued operations for the years ended March 31, 2018 and 2017:

	Year ended March 31, 2018 $	Year ended March 31, 2017 $
Net revenue	**-**	108
Cost of goods sold	**-**	362
Gross profit	**-**	(254)
Expenses	**-**	249
Loss from discontinued operations, net of tax	**-**	(503)
Loss attributed to common shareholders	**-**	(503)

Due to the accumulated net losses, there is no income tax expense recorded in respect of the discontinued operations.

The US business of Love Child had current assets of $nil as at March 31, 2018 (March 31, 2017 - $nil) and current liabilities of $54 as at March 31, 2018 (March 31, 2017 - $54). It did not have any non-current assets. These amounts have been treated as a disposal group for the US business, but have not been classified as held-for-sale because their carrying amount will be principally recovered through continuing use, being the collection of cash and receivables, disposition of inventory and the settlement of liabilities.

The following table summarizes the net cash flows attributable to the discontinued operations for the years ended March 31, 2018 and 2017:

	Year ended March 31, 2018 $	Year ended March 31, 2017 $
Cash flows from operations	**-**	(183)
Cash flows from financing activities	**-**	

(expressed in thousands of Canadian dollars, except per share and number of shares)

7. Inventory

Inventory consists of:

	March 31, 2018	March 31, 2017
	$	$
Raw materials	**1,447**	544
Packaging	**1,905**	936
Finished goods	**8,685**	3,668
Total	**12,037**	5,148

Included in cost of goods sold is a provision for inventory amounting to $469 for the year ended March 31, 2018 (2017 - $542)

The amount of inventory recognized as an expense in cost of goods sold was $44,402 for year ended March 31, 2018 (2017 - $28,218).

(expressed in thousands of Canadian dollars, except per share and number of shares)

8. Property, Plant and Equipment

	Furniture and equipment	Leasehold improvements	Computer equipment	Software	Fixture at customer locations	Printing and production plates	Warehouse equipment	Design	Total
Cost									
Balance, March 31, 2016	286	70	48	31	19	117	421	-	992
Additions	61	14	39	-	18	29	66	-	227
Disposals	-	(26)	(1)	-	-	-	-	-	(27)
Acquired through business combintion (note 5)	4	-	-	-	-	-	-	44	48
Balance, March 31, 2017	351	58	86	31	37	146	487	44	1,240
Acquired through business combination (note 5)	1	12	136	1	-	21	-	-	171
Additions	54	455	42	-	23	104	114	35	827
Forign exchange difference	-	1	6	-	-	-	-	-	7
Balance, March 31, 2018	406	526	270	32	60	271	601	79	2,245
Accumulated depreciation									
Balance, March 31, 2016	27	46	30	20	5	36	112	-	276
Depreciation for the year	63	11	24	4	9	22	74		207
Disposals	-	(20)	-	-	-	-	-		(20)
Balance, March 31, 2017	90	37	54	24	14	58	186	-	463
Depreciation for the year	79	69	36	3	9	22	64	28	310
Forign exchange difference	-	-	1	-	-	-	-	-	1
Balance, March 31, 2018	169	106	91	27	23	80	250	28	774
Net book value									
Balance, March 31, 2017	261	21	32	7	23	88	301	44	777
Balance, March 31, 2018	237	420	179	5	37	191	351	51	1,471

Depreciation expense charged to the consolidated statement of operations and comprehensive loss in general and administrative expense for the year ended March 31, 2018 was $310 (2017 - $207).

(expressed in thousands of Canadian dollars, except per share and number of shares)

9. Intangible Assets

	Customer Relationship	Brand	Product recipes	Non-Compete Agreement	Total
Cost					
Balance, March 31, 2016	7,790	5,780	200	680	14,450
Acquired through business combination (note 5)	3,060	2,100	-	200	5,360
Additions	-	285	-	-	285
Balance, March 31, 2017	10,850	8,165	200	880	20,095
Acquired through business combination (note 5)	10,230	6,558		1,000	17,788
Additions	-	321	-	-	321
Balance, March 31, 2018	21,080	15,044	200	1,880	38,204
Accumulated amortization					
Balance, March 31, 2016	124	-	-	19	143
Amortization	864			238	1,102
Balance, March 31, 2017	988	-	-	257	1,245
Amortization	1,375			367	1,742
Balance, March 31, 2018	2,363	-	-	624	2,987
Net book value					
As at March 31, 2017	9,862	8,165	200	623	18,850
As at, March 31, 2018	18,717	15,044	200	1,256	35,217

10. Accounts Payable and Accrued Liabilities

	2018	2017
	$	$
Trade payables	**7,787**	5,269
Accrued liabilities	**777**	281
Accrued wages and benefits	**183**	170
Total	**8,747**	5,720

Accrued liabilities include professional fees accrual and bonus accrual.

(expressed in thousands of Canadian dollars, except per share and number of shares)

11. Loans Payable

	March 31 2018 $	March 31, 2017 $
BDC Loans		
BDC loan payable, interest at BDC's floating base rate plus 1% per annum, repayable in payments of principal of $1 monthly plus interest (payable monthly), maturing November 2018	**8**	21
BDC loan payable, interest at BDC's floating base rate plus 3% per annum, repayble in payments of principal of $2 monthly plus interest (payable monthly), maturing February 23, 2019	**28**	49
BDC loan payable, interest at BDC's floating base rate plus 3% per annum, repayble in payments of principal of $1 monthly plus interest (payable monthly), maturing February 23, 2022	**56**	68
TD Equipment Finance	**73**	100
TD Term Loan	**275**	-
	440	238
Less amounts due within one year	**167**	71
Loans payable - non-current	**273**	167

TD Equipment Finance
As part of the acquisition of Central Roast the Company retained a leasing loan agreement with TD Equipment Finance. The machinery lease contract is repayable in monthly instalments of $3, includes interest calculated at 3.85% and matures on August 15, 2020.

TD Term Loan
To finance the acquisition of an HVAC system at the Central Roast warehouse, the Company entered into a term loan with TD for $300. The term loan is repayable in monthly principal instalments of $8, plus interest calculated at prime plus 1%. The loan matures in December 2020.

BDC Loans
On June 24, 2014, the Company entered into two loan payables with the Business Development Bank of Canada (“BDC”) for a total of 150. The first loan payable was for $50 bearing interest at the BDC’s floating base rate plus 1% per annum and matures in November 2018. The second loan payable was for $100 bearing interest at the BDC’s floating base rate plus 3.25% per annum. On April 20, 2015, proceeds from the Concurrent Financing were used to repay the second loan payable with BDC, which had an outstanding balance of $92 on the date of repayment.

(expressed in thousands of Canadian dollars, except per share and number of shares)

11. Loans Payable - continued

As part of the acquisition of Love Child, the Company acquired two additional BDC loans. The first acquired BDC loan was for $100 bearing interest at BDC's floating base rate plus 3% per annum, interest payable monthly and the loan matures on February 23, 2019. The second acquired BDC loan was again for $100 bearing interest at BDC's floating base rate plus 3% per annum, interest payable monthly and the loan matures on February 23, 2022.

The loans are presently secured by a personal guarantee from the Company's Chief Executive Officer ("CEO").

The required future principal repayments are as follows:

2019	167
2020	147
2021	108
2022	13
2023	5
	440

12. Long Term Debt

On October 7, 2016, the Company finalized the terms on a $7.5 million revolving senior secured asset based lending facility with The Toronto-Dominion Bank ("ABL Facility"). The ABL Facility has a three-year term.

The Company incurred a total of $100 in transaction costs related to the ABL Facility. All transaction costs are being amortized to net earnings as interest expense over the three-year term. The maximum availability under the ABL facility is subject to a borrowing base calculation determined as a percentage of the Company's accounts receivable, inventory less priority payables and availability reserves.

Proceeds from the ABL Facility were used to complete the acquisition of the remaining 30% of the issued and outstanding shares of Central Roast Inc. ("Central Roast"), making Central Roast a wholly-owned subsidiary of GreenSpace.

After closing the ABL Facility, the Company refinanced the majority of its short-term loan obligations under a long-term, cost effective borrowing facility. Remaining initial proceeds from the new ABL Facility were used to finance working capital and capacity is still available to assist in financing future acquisitions.

During the year ended March 31, 2018, the ABL Facility revolving commitment increased from $7.5 million to $10 million upon inclusion of assets from The Cold Press Corp., and from $10 million to $12 million upon inclusion of assets from Galaxy Nutritional Foods, Inc. Subsequent to the year end, the revolving commitment increased from $12 million to $13 million and to $15 million at the Company's request due to anticipated growth in the coming year.

The ABL Facility is secured by substantially all of the assets of the Company and contains a standard fixed charge coverage financial covenant of 1.1:1. Effective March 31, 2017, the fixed charge coverage covenant was amended to allow the Company to add back unfinanced capital expenditures, debt repayments or listing fees that were financed with equity in calculating the covenant. At March 31, 2018, the Company was in compliance with this financial covenant.

(expressed in thousands of Canadian dollars, except per share and number of shares)

13. Share Capital

(a) Authorized: Unlimited number of common shares

Common shares issued and fully paid:

	Number	**Amount $**
Balance at March 31, 2016	35,849,662	22,483
Shares issued from September 2016 Short Form Prospectus (i)	6,210,000	7,017
Shares issued for repayment of loan from related parties (ii)	1,202,686	1,492
Shares issued from Nothing But Nature Equity Raise (iii)	7,085,417	8,503
Shares issued for business combination (note 5)	2,097,638	2,664
Shares issued for convertible loan (iv)	521,739	600
Exercise of options	41,618	40
Exercise of warrants	1,778,750	1,776
Share issuance costs	-	(1,390)
Balance at March 31, 2017	54,787,510	43,185
Shares issued from August 2017 Short Form Prospectus (v)	7,300,000	10,804
Shares issued for repayment of loan from related parties (ii)	1,013,714	1,178
Shares issued for business combination (note 5)	7,859,583	11,775
Exercise of options	262,501	544
Exercise of warrants	1,297,064	1,652
Share issuance costs (v)	-	(803)
Balance at March 31, 2018	**72,520,372**	**68,335**

(i) On September 2, 2016, the Company completed a bought deal short form prospectus offering ("September Equity Financing") of 6,210,000 common share at an issue price of $1.13 per share for aggregate gross proceeds of $7.0 million.

(ii) On October 7, 2016, the Company issued $1,192 in 1,006,114 common shares based on the 20 day volume weighted average trading price ("VWAP") as part of the settlement of the Deferred Consideration for acquisition of the remaining interest of Central Roast.

On February 25, 2017, the Company issued $300 in 196,572 common shares based on the 20-day volume weighted average trading price ("VWAP") as part of the settlement of the Earn-Out Consideration for acquisition of Central Roast.

On November 16, 2017, the Company issued $750 in 750,000 common shares based on the 5 day pre-announcement of the Love Child acquisition VWAP for $1.00 per share as part of the settlement of Love Child earn out shares.

On April 7, 2017, the Company issued $428 in 263,714 common shares based on the 20-trading day volume weighted average trading price as part of the settlement of the Earn-Out Consideration for acquisition of Central Roast.

13. Share Capital - continued

(iii) On January 10, 2017, the Company closed a bought deal, public equity offering and private equity placement to sell 7,085,417 common shares of the Company at a price of $1.20 per share (the "Nothing But Nature Equity Raise ") for aggregate gross proceeds of $8,502.

A total of 7,085,417 common shares were sold pursuant to the Nothing But Nature Equity Raise, including 543,750 common shares issued as a result of the Underwriters' full exercise of the over-allotment option. An aggregate of 4,168,750 common shares were issued by way of a short form prospectus filed in each of the Provinces of Canada (other than Quebec) and in the United States. An aggregate of 2,916,667 common shares were issued by way of a private equity placement.

(iv) On December 18, 2015, the Company issued a promissory note to a shareholder for proceeds of $0.4 million. The promissory note bears interest at 10.0% per annum, had a 1% placement fee and initially matured the earlier of June 30, 2016 or 10 business days subsequent to the completion of any equity financing. On February 25, 2016, the repayment term on the promissory note was extended by the current shareholder to April 1, 2017. On June 29, 2016, the Company issued a second promissory note to the same shareholder for proceeds of $0.2 million. This second promissory note, similar to the first, bears interest at 10.0% per annum, had a 1% placement fee and was initially expected to mature on April 1, 2017. On October 17, 2016, in exchange for an extension of the repayment term to October 1, 2017, these two outstanding promissory notes became convertible debt loans which provided the shareholder the ability to convert any portion of the loan principle into common shares of the Company at a price of $1.15 per common share. The notes were converted into 521,739 common shares on March 2, 2017.

(v) On August 3, 2017, the Company closed a bought deal short form prospectus offering of 7,300,000 common shares of the Company at a price of $1.48 per share (the "Offering"), which includes 500,000 common share issued pursuant to the exercise of the over-allotment option, for aggregate gross proceeds of $10.804 million. The Offering was conducted by a syndicate of underwriters (the "Underwriters") led by Beacon Securities Limited and Cormark Securities Inc., and including Laurentian Bank Securities Inc., PI Financial Corp. and Raymond James Ltd.

In consideration of the services rendered by the Underwriters in connection with the Offering, GreenSpace paid the Underwriters a commission equal to 6% of the gross proceeds of the Offering, including any proceeds raised pursuant to the exercise of the over-allotment option, provided, however, that a fee of 3% was payable in respect of proceeds raised from certain "president's list" subscribers totaling 804,200 Common Shares. In closing its short form prospectus, the Company incurred commission and professional fees totalling $803.

(b) Escrowed Shares:

On January 24, 2018, the Company completed the acquisition of all of the issued and outstanding shares of Galaxy Nutritional Foods (“Galaxy”). The Company issued 7.16 million Common shares at $1.37 per share as part of the transaction. The Share Consideration will be subject to lock-up and escrow pursuant to which approximately 45% of the Share Consideration shall be locked up for 12 months from the closing date, 5% of the Share Consideration shall be in escrow for 13 months from the closing date and the remaining 50% shall be locked-up for 18 months from the closing date, subject to certain exemptions.

As of March 31, 2018, 7,164,313 common shares were held in escrow.

(expressed in thousands of Canadian dollars, except per share and number of shares)

13. Share Capital - continued

(c) Stock options:

The Company has established a stock option plan for its directors, officers and technical consultants under which the Company may grant options from time to time to acquire a maximum of 10% of the issued and outstanding common shares. The exercise price of each option granted under the plan shall be determined by the Company's Board of Directors.

Options may be granted for a maximum term of ten years from the date of the grant, are non-transferable and expire within 90 days of termination of employment or holding office as director or officer of the Corporation and, in the case of death, expire within one year thereafter.

Upon death, the options may be exercised by legal representation or designated beneficiaries of the holder of the option. Any shares issued upon exercise of the options prior to the Corporation entering into a Qualifying Transaction will be subject to escrow restrictions. Unless otherwise stated, the options fully vest when granted.

The following table reflects the continuity of stock options:

	Number of stock options	Range of Exercise Price ($)	Weighted average exercise price ($)
Balance, March 31, 2016	1,429,144	0.96 – 1.36	1.06
Expired	(40,232)	1.20	1.20
Granted	473,917	0.96 – 1.34	1.11
Exercised	(41,618)	0.96	0.96
Cancelled	(84,894)	0.92 – 0.96	0.95
Balance, March 31, 2017	1,736,317	0.92 – 1.36	1.01
Granted	433,445	1.02 - 1.27	1.09
Exercised	(262,501)	1.36	1.36
Cancelled	(166,557)	0.96 – 1.34	1.11
Balance, March 31, 2018	**1,740,704**	**0.92 – 1.34**	**1.03**

The fair value of each tranche is measured at the date of grant using the Black-Scholes pricing model. The model inputs for options granted during the year ended March 31, 2018 were as follows:

Options	Grant Date	Share Price $	Exercise Price $	Risk-free interest Rate %	Expected Life (years)	Volatility Factor	Fair Values $
91,909	June 21, 2017	1.59	1.27	1.11	5 - 8	40.3% - 41.5%	0.55 – 0.75
140,000	August 23, 2017	1.28	1.02	1.80	5 – 8	40.4% – 41.2%	0.55 – 0.75
191,536	November 15, 2017	1.33	1.06	1.9	5 – 8	40.4% - 41.2%	0.55 – 0.75
10,000	February 14, 2018	1.47	1.18	2.21	5 - 8	40.1% - 41.1%	0.71 – 0.78

(expressed in thousands of Canadian dollars, except per share and number of shares)

13. Share Capital - continued

The following table summarizes the outstanding and exercisable options held by directors, officers and employees as at March 31, 2018:

	Outstanding			Exercisable	
Exercise Price Range ($)	Number of options	Remaining Contractual Life (years)	Weighted Average Exercise Price ($)	Vested Options	Weighted Average Exercise Price ($)
0.92 – 0.96	1,076,472	7.40	0.96	546,620	0.96
0.99 – 1.24	460,962	7.41	1.07	86,576	1.19
1.27 – 1.34	203,270	8.99	1.32	26,684	1.34
	1,740,704	7.77	1.03	659,880	0.99

(a) Warrants:

The following table reflects the continuity of warrants:

	Number of warrants	**Exercisable warrants**	**Value**	**Weighted Average Exercise Price**	**Weighted Average Remaining Contractual Life**
			$	**$**	**(year)**
Balance as of March 31, 2016	10,091,210	9,376,924	1,692	1.12	2.36
Warrants exercised	(1,778,750)	(1,778,750)	(214)	0.88	-
Balance as of March 31, 2017	8,312,460	7,598,174	1,478	1.12	2.36
Warrants exercised	(1,297,064)	(1,297,064)	(241)	1.08	-
Warrants expired	(196,844)	(196,844)	-	1.17	
Balance as of March 31, 2018	**6,818,552**	**6,818,552**	**1,237**	**1.18**	**1.08**

(expressed in thousands of Canadian dollars, except per share and number of shares)

14. Income Taxes

(a) Income taxes

The reconciliation of the combined Canadian and US federal and provincial and state statutory income tax rate of 26.3% (2017 – 26.5%) to the effective tax rate is as follows:

	Year-ended March 31, 2018	Year-ended March 31, 2017
Net income (loss) before recovery of income taxes	**(4,726)**	(3,247)
Expected income tax (recovery) expense	**(1,245)**	(862)
Tax rate changes and other adjustments	**-**	-
Non-deductible expenses	**778**	480
Tax effect of acquired intangibles	**(468)**	(276)
Change in tax benefits not recognized	**652**	382
Income tax (recovery) expense	**(283)**	(276)

(b) Deferred Taxes

	Year-ended March 31, 2018	Year-ended March 31, 2017
Deferred tax asasets		
Non-capital losses carried forward	**1,238**	806
Charitable donations	**-**	27
Deferred tax liabilities		
Intangible assets	**(9,103)**	(4,956)
Property, plant and equipment	**-**	(48)
Other	**-**	(228)
Income tax (recovery) expense	**(7,865)**	(4,399)

Share issue and financing costs will be fully amortized in 2022. The Ontario Research and Development Tax Credit expires between 2029 and 2034. The non-capital loss carry forwards expire as noted in the table below.

The remaining deductible temporary differences may be carried forward indefinitely.

Deferred tax assets have not been recognized in respect of any of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

(expressed in thousands of Canadian dollars, except per share and number of shares)

14. Income Taxes - continued

Unrecognized deferred tax assets

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	Year ended March 31, 2018	Year ended March 31, 2017
	$	$
Non-capital losses carried forward	**73,869**	13,665
Share issuance costs	**2,223**	2,032
Donations, Other temporary differences, Ontario Research and Development Tax Credit	**718**	251

The Company's non-capital income tax losses expire as follows:

2021	6,171
2022	15,901
2023	8,200
2024	2,624
2025	1,961
Thereafter	39,012
	73,869

(c) Income taxes recoverable

The Scientific Research and Experimental Development Tax Credits (“SR&ED”), offered by the Government of Canada and the Ontario Innovation Tax Credit (“OITC”) and Ontario Research and Development Tax Credit (“ORDTC”) offered by the Ontario Provincial Government are awarded for expenditures on research and development. The tax credits relating to research are recorded as a reduction of salary and benefits, as they generally related to labour costs.

The SR&ED, OITC and ORDTC tax credits are based on the Company having incurred expenses which in management’s opinion qualify as research and development costs under the Income Tax Act of Canada. These expenses are subject to review and approval by the Canada Revenue Agency and accordingly, the actual credits received may differ from the recorded amounts. Any such adjustments will be made in the year in which the refunds are received or applied against future income taxes due.

Deferred tax liabilities were recognized for the amortization on the acquired intangible assets for the acquisitions of various companies (Note 5). For the year ended March 31, 2018, the Company recorded an income taxes recoverable amount of $283 (2017 - $276) due to the amortization of intangible assets.

15. Interest Expense

	2018	2017
	$	$
Interest on related party loans	**115**	81
Interest on loans payable	**85**	252
Interest on long term debt	**243**	81
Bank charges and other interest	**75**	71
	518	485

16. Related Party Balances and Transactions

Loans from Related Parties

On November 16, 2017, 750,000 shares were issued at a price of $1.00 per share to settle the Love Child Earn-out Shares. Accretion expense recognized within the year ended March 31, 2018 is $84 (2017 - $108).

The Cedar VTB of $243 is unsecured, non-interest bearing and repayable over twelve equal monthly installments from the closing of the Cedar acquisition in August 2017.

Cedar Earn-out consideration will be settled in common shares before December 31, 2018. Earn-out amount of $514 discounted at 16% to be $460 as of August 23, 2017. Accretion expense recognized for the year ended March 31, 2018 is $54 (2017 - $nil).

The Galaxy VTB of $7,412 is with a principal amount of USD$5,714 bears interest at a rate of 8.5% per annum. The loan matures on January 24, 2020 with no set repayment schedule. Interest expense accrued for the year ended March 31, 2018 is $115 (2017 - $nil).

Transactions with Related Parties

The Company has a lease arrangement for office space with a shareholder of the Company. The Company paid rent expense of $166 during year ended March 31, 2018 (2017 – $120).

The Company has an outstanding balance of $149 at March 31, 2018 (March 31, 2017 - $159) due to the CEO included in accounts payable and accrued liabilities. These amounts relate to unpaid compensation, accordingly, there are no specified repayment terms and this amount does not bear interest.

Key management includes the Company's directors and officers. Compensation awarded to key management includes a salary, stock based compensation and director fees. The following table presents key management compensation:

(Expressed in thousands of Canadian dollars)	**Years ended**	
	March 31, 2018	March 31, 2017
Salary and director fees	**$693**	$775

(expressed in thousands of Canadian dollars, except per share and number of shares)

17. Commitments and Contingencies

Commitments

The Company has a non-material vehicle lease agreement expiring in October 2021.

On July 4, 2016, the Company entered into a 10-year lease agreement for a 50,000 square foot warehouse facility. The lease agreement commenced on November 1, 2016 and the space will be sufficient to accommodate the current year inventory build as a result of new revenue opportunities and the new facility also gives the Company adequate space for growth. The new leased facility has an annual rent of $0.4 million.

In October 2016, under its new ABL Facility, the Company issued a stand-by letter of credit for $0.2 million to one of its Canadian suppliers for extended credit terms.

Contingencies

The Company may become involved in certain claims and litigation arising out of the ordinary course and conduct of business where certain claims are made against or by the Company. Management assesses such claims and, if they are considered likely to result in a loss and the amount of loss is quantifiable, provisions for loss are made, based on management's assessment of the most likely outcome. Management does not provide for claims for which the outcome is not determinable or claims where the amount of the loss cannot be reasonably estimated or where the litigation may result in a contingent gain.

18. Expenses by Nature

	2018	2017
Raw materials and consumables used	**44,402**	28,218
Storage and delivery	**2,926**	1,749
Salaries and benefits	**4,392**	3,313
Advertising and promotion	**2,059**	1,017
Professional fees	**459**	530
Stock-based compensation	**172**	198
Amortization of intangible assets	**1,742**	1,102
Other expenses	**3,873**	2,232
	60,025	38,359

(expressed in thousands of Canadian dollars, except per share and number of shares)

19. Changes in Non-Cash Working Capital

	2018	2017
HST receivable	**(224)**	(81)
Accounts receivable	**(3,032)**	(1,745)
Prepaid expenses	**(314)**	135
Inventory	**(5,321)**	(1,355)
Accounts payable and accrued liabilities	**1,137**	(482)
HST payable	**(179)**	196
	(7,933)	(3,332)

20. Financial Risk Management

(a) Concentration Risk

The Company currently has heavy reliance on a small number of large customers for revenue. The Company continues to expand its customer base to reduce this reliance. A new sales team is focused on expanding the business in Western Canada and new customers have been obtained from across Canada. Management will continue to monitor and reduce this reliance.

For the year ended March 31, 2018, the Company had one (2017 - two) customer representing over 10% of total revenue for an aggregate of approximately 26% (2017 – 38%) of total revenue.

(b) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer, investee or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's accounts receivable.

In the normal course of business, the Company is exposed to credit risk from its customers and the related accounts receivable are subject to normal industry credit risk.

To mitigate this risk the Company reviews the creditworthiness of material new customers, monitors customer payment performance and, where appropriate, reviews the financial condition of existing customers. The Company establishes an allowance for doubtful accounts that corresponds to the specific credit risk of its customers and economic circumstances.

The Company's maximum credit exposure is represented by the balance of accounts receivable at each reporting date. As at March 31, 2018, $647 (March 31, 2017 - $297) of accounts receivable are past due but have been determined not to be impaired.

(expressed in thousands of Canadian dollars, except per share and number of shares)

20. Financial Risk Management - continued

(c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective to managing liquidity risk is to ensure that it has sufficient liquidity available to meet its liabilities when due. The Company uses cash to settle its financial obligations as they fall due. The ability to do this relies on the Company collecting its accounts receivables in a timely manner and by maintaining sufficient cash on hand through equity financing, loans from related parties and loans payable.

Significant commitments in years subsequent to March 31, 2018 are as follows:

	Carrying value $	Contractual cash flows $	Payable in 1 year $	2-5 years $
Accounts payable and accrued liabilities	8,747	8,747	8,747	-
Loans from related party	8,028	7,513	101	7,412
Loans payable	440	440	167	273
Long term debt	11,720	11,720	-	11,720
	28,935	28,420	9,015	19,405

(d) Market Risk

i. Interest Rate Risk

Interest rate risk arises because the Company has loan payables with variable interest rates. The Company's objective in managing interest rate risk is to minimize the interest expense on liabilities and debt. The Company does not believe that its profit and loss or cash flows would be affected to any significant degree by a sudden change in market interest rates. The interest rates that it pays on the line of credit and loan payable can fluctuate with the prime rate.

ii. Foreign Currency Risk

The Company is exposed to some foreign currency risk as some of the product ingredients are denominated in U.S. dollars and Euros. Accordingly, the Company's results are affected, and may be affected in the future, by sudden exchange rate fluctuations of the U.S. dollar and Euro. Currently the Company manages foreign currency risk by forecasting need and incorporating forecasted U.S. and Euro foreign exchange rates into customer prices.

21. Capital Management

Management defines capital as the Company's share capital and long-term debt. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support its sales, expenses, working capital and any required capital expenditures. The Company is not subject to any externally imposed capital requirements.

The capital management objectives for fiscal 2018 remain the same as those of the previous fiscal year.

22. Subsequent Events

Stock Option Grant

On June 20, 2018, the Board of Directors of the Company approved the granting of incentive stock options (the "Options") pursuant to the terms of the Corporation's stock option plan to a number of employees to acquire up to an aggregate of 561,000 common shares in the capital of the Company.

All Options granted to the employees are exercisable for a period of ten years at a price of $0.984 per common share. These Options vest over a five-year period with 20.0% of the Options vesting one year after the date of the grant and the remainder vesting 20.0% annually thereafter.

Increase in ABL facility commitment

On May 4, 2018, the revolving commitment increased from $12 million to $13 million and to $15 million at the Company's request due to anticipated investment in working capital to support growth in the coming year.