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

FOR IMMEDIATE RELEASE

GreenSpace Brands Reports Third Quarter F2020 Results and a Change in Q2 IFRS 9 Treatment

TORONTO, ONTARIO, **March 02, 2020** – GreenSpace Brands Inc. ("the Company") (TSXV: JTR) today reported its third quarter of fiscal 2020 ended December 31, 2020 results. **Key Highlights for the Third Quarter of Fiscal 2020:**

- **Revenue for the quarter fell from $12.8 million in Q2 to $11.3 million in Q3, largely as a result of continued working capital shortages within the brands resulting in missed sales through product shortages to customers.**
- **Adjusted EBITDA of $948 thousand benefitting from the approximately $0.8 million reduction in the IFRS 9 provision during the quarter.**
- **Adjusted gross margin increased to 31.0% in the quarter compared to 28.6% for Q2 2020 largely as a result of the Company's ability to increase the proportion of higher-margin brands within its sales.**
- **SG&A expenses for the quarter continued to decrease from $6.5 million in Q2 to $2.4 million in Q3, largely due to the approximate $0.8 million IFRS recovery in Q3 as compared to the approximate $2.9 million IFRS expense in Q2.**
- **Under IFRS 9 standards, a larger provision for expected credit loss was booked in Q2 than previously reported, resulting in an additional provision in Q2 of $1.9 million for a total provision of $4.0 million. As of December 31, 2019 the expected credit loss improved to $3.2 million.**

Consolidated Performance Summary

(in thousands of Canadian dollars, except per share amounts)	**Three months ended**		**Nine months ended**	
	December 31, 2019 **$**	December 31, 2018 $	**December 31, 2019** **$**	December 31, 2018 $
Gross revenue	**11,285**	19,228	**40,553**	61,869
Less: rebates and discounts	**(1,516)**	(2,282)	**(5,434)**	(6,975)
Less: listing fees	**(120)**	(452)	**(173)**	(785)
Net revenue	**9,649**	16,494	**34,946**	54,109
Gross profit	**2,907**	3,701	**9,149**	12,456
Adjusted Gross Profit[1]	**3,027**	4,153	**9,322**	13,270
Adjusted Gross Profit margin[1]	**31.0%**	24.5%	**26.5%**	24.2%
SG&A expenses	**2,365**	6,498	**12,210**	18,407
Amortization of intangible assets	**608**	701	**1,854**	2,102
Deferred income tax (recovery)	**(171)**	(195)	**(537)**	(586)
Interest expense	**592**	404	**1,934**	1,207
Accretion expense	**-**	15	**14**	73
Other income and expense	**(68)**	-	**(94)**	98
Foreign exchange loss	**(125)**	697	**60**	788
Restructuring expense	**-**	-	**195**	-
Gain on sale of Rolling Meadow Dairy	**-**	-	**-**	-
Loss on goodwill impairment	**-**	-	**-**	-
Net income (loss)	**(294)**	(4,419)	**(6,487)**	(9,633)
EBITDA	**744**	(2,659)	**(2,749)**	(5,667)
EBITDA, as a percentage of net revenue	**7.7%**	(16.1%)	**(7.9%)**	(10.5%)
Adjusted EBITDA[1]	**948**	(948)	**(1,364)**	(2,316)
Adjusted EBITDA, as a percentage of net revenue excluding listing fees[1]	**9.7%**	(5.6%)	**(3.9%)**	(4.2%)

1 – See Non-IFRS Measures

Q3 saw lower than expected revenue as the Company continued to experience short shipments in the quarter as a result of tight working captial. Q3 2020 continued the trend of lower operating expenses and improved EBITDA margins, demonstrating that the previously announced restructurings are having a positive effect and that the Company during the quarter achieved our stated goal of turning around the business to become adjusted EBITDA positive.

Revenue

Gross revenue for the third quarter ended December 31, 2019, decreased 41.3% and net revenue, which is gross revenue less deductions for rebates, discounts and one-time listing fees, decreased 41.5% over the same period in the prior year. The decrease in revenue was primarily due to the exclusion of Rolling Meadow Dairy and Kiwi Butter revenue from the portfolio as they were sold to Agrifoods Cooperative Subsidiary on January 31, 2019, as well the exclusion of Nothing But Nature revenue from the portfolio as it was sold to Zurban Beverages Inc. on May 21, 2019. Additionally, the Company continued to experience significant short shipments in the quarter as a result of tight working capital.

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

The Company's adjusted gross profit margin for the third quarter ended December 31, 2019 increased from 24.5% to 31.0% compared to the same period in the prior year, a 6.5% increase. The increase in the quarter was primarily due to the higher volume of sales from brands with higher margins as well as the discontinuation or sale of lower margin brands.

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

The third quarter was positively impacted by a variety of factors, the largest of which is the continued emergence of the effect of some of the previously announced restructurings. SG&A as a percentage of revenue showed a steep decline from the prior year period due in part to the effect of the restructurings, as well as due to enhanced cost saving strategies. Salaries and wages decreased from 10.9% of gross revenue in Q3 2019 to 9.5% of gross revenue in Q3 2020, primarily due to the previously announced restructurings. Advertising and promotion costs also decreased from the prior year period by 1.0% of gross revenue. Management expects SG&A as a percentage of revenue to stabilize at these rates in coming quarters.

"The third quarter was a very challenging quarter from a top line perspective with frequent customer shorts putting a strain on customers, suppliers and employees" says Matthew von Teichman, CEO of GreenSpace Brands. "Fortunately, the cost cutting measures previously announced reduced our Operarting Expenses by a significant enough margin that we were able to generate positive EBITDA in a very challenging environment."

The Company is also announcing a revision to the IFRS9 provision for expected credit loss in Q2, taking a larger provision than previously announced. The impact of the re-calculation is that the provision for expected credit loss has risen from $2.1 million in the previously reported results for Q2 to $4.0 million in the new results. Details on the change can be found in the MD&A for Q3 2020.

Outlook

GreenSpace continues to believe that there are a number of fundamental trends occurring within both the Global and North American food industries, that will continue to support consumer demand for the Company's products. In particular, the Plant-Based cheese category is one of the fastest-growing segments of the Natural Food market, and the Go Veggie business is well-positioned in that market.

In the coming quarters, management plans to focus on filling orders at nearly 100%, at keeping costs in line and at producing EBITDA in what it hopes will be less challenging operating environment due to the improved working capital position resulting from the recently announced Private Placement.

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

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

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

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

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

Reconciliation of Gross profit to Adjusted gross profit

(expressed in thousands of Canadian dollars)

	Three months ended		**Nine months ended**	
	December 31, 2019	December 31, 2018	**December 31, 2019**	December 31, 2018
	$	$	**$**	$
Gross profit	**2,907**	3,701	**9,149**	12,456
Add back non-recurring expenses				
Listing fees	**120**	452	**173**	785
Loss on discontinued product	**-**	-	**-**	29
Adjusted gross profit	**3,027**	4,153	**9,322**	13,270
Adjusted gross profit percentage	**31.0%**	24.5%	**26.5%**	24.2%

A reconciliation of the Company’s EBITDA to Adjusted EBITDA is outlined in the following table:

Reconciliation of EBITDA to Adjusted EBITDA from continuing operations

(expressed in thousands of Canadian dollars)

	Three months ended		**Nine months ended**	
	December 31, 2019	December 31, 2018	**December 31, 2019**	December 31, 2018
	$	$	**$**	$
EBITDA	**744**	(2,659)	**(2,749)**	(5,667)
Add back non-cash and non-recurring expenses				
Stock based compensation	**21**	37	**60**	104
Fines and penalties for shorts	**240**	-	**790**	-
Listing fees	**120**	452	**173**	785
Restructure cost	**-**	1,222	**195**	1,704
Professional fees	**64**	-	**408**	-
Meatbar discontinuation	**-**	-	**-**	-
Recall expense	**(241)**	-	**(241)**	758
Adjusted EBITDA	**948**	(948)	**(1,364)**	(2,316)

About GreenSpace Brands Inc.
GreenSpace is a Canadian-based brand ideation team that develops, markets and sells premium natural food products to consumers across North America. GreenSpace owns Love Child, a producer of 100% organic food for infants and toddlers made with natural and most nutritionally-rich ingredients, Central Roast, a clean snacking brand featuring a wide assortment of nut and seed mixes, CEDAR, the leaders in the Canadian Cold Press Juice category and the most recently acquired brand, GO VEGGIE, one of the leaders in the US plant-based dairy market. All brands are wholly-owned and retail in a variety of natural and mass retail grocery locations across Canada.

For more information, visit www.greenspacebrands.ca. GreenSpace's filings are also available at **www.SEDAR.com.**

Forward-Looking Statements
Certain statements in this press release constitute forward-looking statements within the meaning of applicable securities laws. Forward-looking statements include, but are not limited to, statements made under the heading "Outlook" and other statements concerning the Company's 2018 objectives, strategies to achieve those objectives, as well as statements with respect to management's beliefs, plans, estimates, and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans" or "continue", or similar expressions suggesting future outcomes or events. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those contemplated by such statements, and there can be no assurance that actual results will be consistent with these forward-looking statements. Factors that could cause such differences include the cyclical nature of the construction and agriculture industries, changes in general economic conditions and interest rates, adverse weather, cost and availability of materials used to manufacture the Company's products, competitive developments, legislative and government policy changes, as well as other risk factors included in the Company's Annual Information Form under the heading "Risks and Uncertainties Related to the Business" and as described from time to time in the reports and disclosure documents filed by the Company with Canadian securities regulatory agencies and commissions. This list is not exhaustive of the factors that may impact the Company's forward-looking statements. These and other factors should be considered carefully, and readers should not place undue reliance on the Company's forward-looking statements. As a result of the foregoing and other factors, no assurance can be given as to any such future results, levels of activity or achievements or levels of dividends and neither the Company nor any other person assumes responsibility for the accuracy and completeness of these forward-looking statements. The factors underlying current expectations are dynamic and subject to change. Certain statements included in this press release may be considered "financial outlook" for purposes of applicable securities laws, and such financial outlook may not be appropriate for all purposes. All forward-looking statements in this press release are qualified by these cautionary statements. The forward-looking statements contained herein are made as of the date of this press release, and except as required by applicable law, the Company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.
Neither the TSX Venture Exchange nor its regulation services provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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