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

FOR IMMEDIATE RELEASE

GreenSpace Brands Inc. Reports First Quarter F2021 Results

TORONTO, ONTARIO, **October 15th, 2020** – GreenSpace Brands Inc. ("the Company") (TSXV: JTR) today announced that it has filed its Condensed Consolidated Interim Financial Statements for the three-month period ending June 30, 2020. Though the Company's shares remain suspended from trading by the TSX Venture Exchange, the Company has concurrently filed a reinstatement application with the TSX Venture Exchange and expects trading to occur when the cease trade order is revoked and the TSX Venture Exchange has concluded its reinstatement review.

Key Highlights for the First Quarter of Fiscal 2021:

- **Gross revenue from continuing operations of $10.3 million, representing a 31.6% decrease over the same three-month period of the prior year to: (i) this cessation of the Cedar and Life Choices Brands; (ii) short-shipments to customers due to working capital constraints.**
- **Adjusted gross margin of 22.2% which represents a 60-basis point improvement compared to same three-month period in the prior year.**
- **Negative adjusted EBITDA from continuing operations of $0.3 million is modestly higher than the $0.1 million negative adjusted EBITDA of the same three-month period in the prior year. The achievement demonstrates dramatic improvement over cost controls which mitigated the negative impact of working capital constraints.**

Consolidated Performance Summary

(expressed in thousands of Canadian dollars)	For the three-month period ended June 30			
	2020	2019	Inc/(Dec)	Inc/(Dec)
	$	$	$	%
Gross revenue	**10,346**	15,123	(4,777)	(31.6%)
Less: rebates and discounts	**(1,375)**	(2,104)	729	(34.6%)
Less: listing fees	**(140)**	(50)	(90)	180.0%
Net revenue	**8,831**	12,969	(4,138)	(31.9%)
Cost of goods sold	**6,978**	10,207	(3,229)	(31.6%)
Gross profit	**1,853**	2,762	(909)	(32.9%)
Gross profit percentage	**21.0%**	21.3%		
Adjusted gross profit[1]	**1,993**	2,812	(819)	(29.1%)
Adjusted gross profit margin	**22.2%**	21.6%		
General and administrative	**258**	312	(54)	(17.3%)
Storage and Delivery	**798**	1,061	(263)	(24.8%)
Salaries and benefits	**1,514**	1,313	201	15.3%
Advertising and promotion	**221**	420	(199)	(47.4%)
Professional fees	**121**	444	(323)	(72.7%)
Stock-based compensation	**6**	15	(9)	(60.0%)
Amortization of intangible assets	**169**	639	(470)	(73.6%)
Net loss before underlying items	**(1,234)**	(1,442)	208	(14.4%)
Interest expense	**650**	602	48	8.0%
Accretion expense	**9**	14	(5)	(35.7%)
Restructuring expense	**-**	195	(195)	(100.0%)
Other income	**(22)**	(15)	(7)	46.7%
Foreign exchange (gain) loss	**(928)**	44	(972)	(2209.1%)
Net loss before income taxes	**(943)**	(2,282)	1,339	(58.7%)
Deferred income tax recovery	**-**	(195)	195	(100.0%)
Net loss from continuing operations	**(943)**	(2,087)	1,144	(54.8%)
Net loss from discontinued operations	**-**	(212)	212	(100.0%)
Net loss	**(943)**	(2,299)	1,356	(59.0%)
EBITDA[1]	**(950)**	(887)	(63)	7.1%
As a percentage of net revenue	**(10.8%)**	(6.8%)		
Adjusted EBITDA[1]	**(265)**	(70)	(195)	278.0%
As a percentage of net revenue, excluding listing fees	**(2.9%)**	(0.5%)		

1 – Use of Non-IFRS Measures - The Company's condensed consolidated interim financial statements are prepared in accordance with IFRS. Management uses IFRS, non-IFRS and operating performance measures as key performance indicators to better assess the Company's underlying performance. See discussion on Non-IFRS measures in the Management's Discussion and Analysis for the three-month period ended June 30, 2020 and 2019 on SEDAR at sedar.com.

Comments on the Quarter:

During the three-month period ended June 30, 2020, the Company's limited working capital negatively impacted sales as the Company did not have required levels of inventory to service customer demand and participate in customer-driven promotional activity of our brands. In additional to the lost sales, and of course the corresponding reduction in gross profit, the Company also incurred fines from certain customers for its failure to meet expected levels of customer service, which further weakened its working capital position.

The Company's lack of appropriate levels of working capital also adversely impacted supplier relationships. During the three-month period ended June 30, 2020, certain suppliers continued to demand payment with order. This translated to the need for the Company to invest in prepaid expenses well before the inventory was actually on hand and available for sale.

During the prior year ended March 31, 2020, management took steps to better position the Company for the future. The Company sold the assets of the Nothing But Nature Inc. business to raise cash and suspended sales of its under-performing Cedar and Life Choices brands' products. The Company significantly downsized its personnel, to properly align requirements with the size of the continuing business. After this work was completed, the Company was left with a more appropriately sized organization and three outstanding plant-based brands, with strong consumer support and incredible upside potential. During the three-month period ended June 30, 2020 we are seeing some of the benefits of this action, with SG&A spending down by $0.65 million or 18.1% year over year, thereby mitigating the negative bottom-line impact which the working capital constraints had on the Company's gross sales during this period.

Select Subsequent Events – Further Progress

On July 17, 2020, the Company's CEO and founder left the organization to pursue other opportunities. Shortly thereafter, the Company began a search for a new organizational leader to steer the Company along its new path. The search process is currently on hold until the completion of the private placement (see below). The Board of Directors is optimistic that an appropriate candidate will be identified shortly thereafter.

On August 20, 2020, the Company announced its plans for another private placement which is intended to raise the requisite equity needed to fully resolve its working capital issues and position the Company for growth. Management believes that with the appropriate level of working capital, it can return the Love Child, Central Roast and Go Veggie brands to historic levels of sales and with the right attention to operations can produce positive EBITDA and free cash flow to help finance the future growth opportunities available to the Company.

On September 22, 2020, the Company successfully refinanced all of its debt with the TD Bank and the Business Development Bank of Canada with a new credit facility with Pivot Financial Inc. The structure of this new debt facility includes a $3.5 million term loan and up to a $4.0 million full recourse accounts receivable factoring for a total facility of $7.5 million. Concurrently, the Company entered into amending agreements to extend the term of the vendor take back related to its January 24, 2018 purchase of Galaxy Nutritional Foods, Inc. and its loans with Primary Capital Inc., which will see both loans mature on September 23, 2021. With the completion of these agreements, the Company is in full compliance with the terms of its loan agreements.

A full description of all the Company's Subsequent Events (including the refinancing) may be found in the Company's Condensed Consolidated Interim Financial Statements for the quarter ended June 30, 2020 on SEDAR at www.sedar.com.

"As I look at the results for the first quarter ended June 30, 2020, I see that our transformation journey has started off on the right foot", said Paul Henderson, Executive Chairman and Interim Chief Executive Officer of the Company. "While the Company's limited working capital position severely hindered our ability to properly service customers and meet our commitments to suppliers during this quarter, the corrective action already taken has driven our costs lower and also has simplified the business and positioned our plant-based brands to drive the Company forward. We are optimistic about having our private placement successfully completed in late fall, which we anticipate should resolve our working capital issues and allow the Company to deliver improved operating results going forward."

FORWARD-LOOKING STATEMENTS

Certain statements in this document constitute forward-looking statements within the meaning of applicable securities laws. Forward-looking statements include, but are not limited to, statements made concerning the Company's 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 successful completion of the Offering; entering into a definitive agreement with the Lenders; cyclical nature of the construction and agriculture industries; general and market conditions (including equity, commodity, foreign exchange and interest rate); increased funding costs and market volatility due to market illiquidity and competition for funding; operational outcomes (including technology and infrastructure); insurance; environmental conditions; capital adequacy; the general business and economic conditions in the regions in which the Company operates; the ability of the Company to execute on key priorities; the ability to implement business strategies and pursue business opportunities; the failure of third parties to comply with their obligations to the Company or its affiliates; the impact of new and changes to, or application of, current laws and regulations; critical accounting estimates and changes to accounting standards, policies, and methods used by the Company; the occurrence of natural and unnatural catastrophic events and claims resulting from such events; and risks related to COVID-19 including various recommendations, orders and measures of governmental authorities to try to limit the pandemic, including travel restrictions, border closures, nonessential business closures, quarantines, self-isolations, shelters-in-place and social distancing, disruptions to markets, economic activity, financing, and supply chains, and a deterioration of general economic conditions including a possible national or global recession, 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.

ADDITIONAL INFORMATION

Additional information, including the Company’s Condensed Consolidated Interim Financial Statements for the three-month period ended June 30, 2020 and its related Management Discussion and Analysis and its Chief Executive Officer and Chief Financial Officer certifications, is on SEDAR at www.sedar.com.

For more information, please contact:

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