GREENSPACE BRANDS INC.

Management's Discussion and Analysis

For the three-month periods ended June 30, 2021 and 2020

GreenSpace Brands Inc.

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MANAGEMENT’S DISCUSSION AND ANALYSIS
of Financial Condition and Results of Operations
For the three-month period ended June 30, 2021.

This Management’s Discussion and Analysis (“MD&A”) is a review of the consolidated financial condition and results of operations of GreenSpace Brands Inc. (“the Company”) for the three-month period ended June 30, 2021. The MD&A is intended to help readers understand the Company’s business and the key factors underlying its financial results. It should be read in conjunction with the Company’s annual consolidated financial statements and accompanying notes for the year ended March 31, 2021 which have been filed with applicable regulatory authorities and are available on SEDAR at www.sedar.com.

The financial information contained herein has been prepared in accordance with International Financial Reporting Standards (“IFRS”) and is reported in Canadian dollars; however, reference is made to adjusted gross profit, earnings before interest expense, income taxes, depreciation and amortization (“EBITDA”) and adjusted EBITDA as defined in the “Non-IFRS Measures” section. EBITDA and adjusted EBITDA are not measures of financial performance recognized under IFRS. The Company has included these measures as they are used by Management to evaluate financial performance and Management believes they will be used by certain investors and analysts in assessing the Company’s financial performance. These measures are not necessarily comparable to similarly titled measures used by other companies and should not be construed as an alternative to net income or cash flow from operating activities as determined in accordance with IFRS. See the section within the MD&A entitled **“Use of Non-IFRS Measures, Measures of Operating Performance and Reconciliation of Net (Loss) Earnings to Adjusted EBITDA”** for further information.

This MD&A has been prepared as of August 30, 2021.

CORPORATE OVERVIEW

The Company is in the business of developing, marketing, and selling premium, convenient, organic, plant-based and natural foods in Canada and the United States. Consumers are increasingly focused on healthier choices when it comes to their eating habits, looking for clean labels, organic products and plant-based products that better fit their healthier lifestyles. The Company’s product assortment focuses on satisfying the needs of consumers as they transition through their different need states and life-stages, with a focus on organic and plant-based foods and snacks. The Company sources natural ingredients largely from ethically operated suppliers and combines these ingredients into tasty and nutritious food and snack products.

Throughout its history the Company has acquired or internally developed and brought to market several brands and has sold and discontinued several other brands, all in the natural food space. Brands reflected in these consolidated financial statements include:

LOVE CHILD ORGANICS

On October 19, 2015, the Company completed the acquisition of Love Child (Brands) Inc. (“Love Child”), operating as LOVE CHILD ORGANICS. LOVE CHILD ORGANICS is a Canadian-based developer and producer of 100% organic, natural and nutritionally rich food products for infants, toddlers and children. LOVE CHILD ORGANICS always seeks to go “beyond organic” in the products it develops. Specifically, it has a strong focus on using clean, simple ingredients, avoids the use of refined sugars and preservatives, and includes recognized superfood ingredients in the majority of its product range. LOVE CHILD ORGANICS’ core target market is the parents of infants, toddlers and small children, aged six months to six years, who are increasingly prioritizing organic, nutritious food for their children.

CENTRAL ROAST

CENTRAL ROAST began operations in 2011 and was acquired by the Company in two transactions in 2016. Its products can now be found in many of the major grocery retailers across Canada. CENTRAL ROAST offers its products in various functional categories each consisting of different mixes of nuts, seeds, popcorns and other snacks. During the year ended March 31, 2021, CENTRAL ROAST was engaged in the production and sale of branded products which include tubs, large and small bags, single-serve bags, and scoop bulk bags in a range of product lines. Subsequently, in the first quarter ending June 2021, Management rationalised its SKU offerings to focus on its best-selling resealable large bags as part of its Project FIT simplification initiatives.

GO VEGGIE

Over 40 years ago, Galaxy Nutritional Foods, Inc. ("Galaxy") created the cheese alternative category for health-conscious consumers and is proud to remain one of America’s leading providers of great-tasting dairy-free/lactose free products. The Company acquired all the outstanding shares of Galaxy on January 24, 2018. Today, under Galaxy’s GO VEGGIE brand, the Company continues to innovate and offer consumers healthier plant-based, lactose-free and soy-free choices in a wide variety of formats across the United States and for export markets.

LIFE CHOICES, CEDAR and KIJU

Life Choices offered premium convenience meat products to Canadian consumers, featuring grass-fed and/or pasture-raised meat without the use of added hormones and antibiotics. During the third quarter ended December 31, 2019, the Company suspended sales of this brand.

Nothing But Nature Inc. ("Nothing But Nature") owned the Kiju brand. The business assets of Nothing But Nature (including the Kiju brand) were sold to Zurban Beverages Inc. on May 21, 2019 and the operation was discontinued during the year ended March 31, 2020.

The Cold Press Corp. owns the CEDAR brand which was engaged in the development and selling of the CEDAR cold press juices. Sales of the CEDAR brand were suspended in the fourth quarter of the year ended March 31, 2020. During the quarter ended June 30, 2021 operations of The Cold Press Corp. were discontinued for accounting purposes.

OPERATING STRATEGY

With its more focused brand portfolio, the Company set a new **Vision** of **"We make organic and plant-based snacks more delicious".** This Vision and the Company's new Strategic Plan were reviewed and approved by the Board of Directors in May 2021. The new Strategic Plan is intended to enable the Company, over time, to align its efforts towards expanding into the fast-growing and profitable organic and plant-based snack industry. Approximately two-thirds of the Company's current revenue comes from healthy snack categories. Over time the Company will focus efforts on profitably growing these healthy snack categories and snack occasions where consumer and retailer momentum and interest are building rapidly.

Aligned with its Vision and to enable the achievement of its profitable growth ambitions, the strategic plan articulates a **"Focused Growth Strategy**" that consists of the following seven foundational tenets:

- Focus on Core Brand Snacking
- Reduce Costs and Complexity
- Improve Gross Profit Percentages
- Invest in Margin-Accretive Innovation
- Invest in Route-to-Market Excellence
- Invest in a Lean and Capable Organization
- Improve Financial Flexibility

Management has prioritized aggressive actions to reduce costs and complexity as part of its multi-year transformation agenda. Reductions in complexity are expected to yield savings in variable and fixed costs and improve gross profit percentages. These improved gross profit percentages are expected to enable investments over time into margin-accretive innovation, expansion within current and new distribution channels (utilizing anticipated route-to-market excellence) and enable smart investments to build a lean and capable organization. Management believes that the Focused Growth Strategy application will result in significantly improved business performance over time. Significant steps have already been undertaken and announced by Management to improve business performance in congruence with its Focused Growth Strategy approach.

FIRST QUARTER CONSOLIDATED RESULTS

The following is a table and description of the three-month periods ended June 30, 2021 and 2020 consolidated operational results for the Company's continuing operations.

Condensed Consolidated Interim Statements of Operations and Comprehensive Loss

(expressed in thousands of Canadian dollars)	For the three months ended June 30			
	2021	2020 Reclassified	Inc/(Dec)	Inc/(Dec)
	$	$	$	%
Gross revenue	**5,123**	10,323	(5,200)	(50.4%)
Less: rebates and discounts	**(712)**	(1,375)	663	(48.2%)
Less: listing fees	**-**	(140)	140	(100.0%)
Net revenue	**4,411**	8,808	(4,397)	(49.9%)
Cost of goods sold	**3,371**	6,901	(3,530)	(51.2%)
Gross profit	**1,040**	1,907	(867)	(45.5%)
Gross profit percentage	**23.6%**	21.7%		
Adjusted gross profit[1]	**1,040**	2,047	(1,007)	(49.2%)
Adjusted gross profit percentage	**23.6%**	22.9%		
General and administrative	**106**	325	(219)	(67.4%)
Storage and delivery	**471**	792	(321)	(40.5%)
Salaries and benefits	**1,135**	1,510	(375)	(24.8%)
Advertising and promotion	**124**	221	(97)	(43.9%)
Professional fees	**99**	121	(22)	(18.2%)
Stock-based compensation	**53**	6	47	783.3%
Amortization of intangible assets	**89**	169	(80)	(47.3%)
Net loss before underlying items	**(1,037)**	(1,237)	200	(16.2%)
Interest expense	**578**	650	(72)	(11.1%)
Accretion expense	**78**	9	69	766.7%
Restructuring gain	**(1,157)**	-	(1,157)	
Other income	**(157)**	(22)	(135)	613.6%
Foreign exchange gain	**(110)**	(928)	818	(88.1%)
Net loss before income taxes	**(269)**	(946)	677	(71.6%)
Net loss from continuing operations	**(269)**	(946)	677	(71.6%)
Net loss from discontinued operations	**(14)**	3	(17)	(566.7%)
Net loss	**(283)**	(943)	660	(70.0%)
EBITDA[1]	**(915)**	(911)	(4)	0.4%
As a percentage of net revenue	**(20.7%)**	(10.3%)		
Adjusted EBITDA[1]	**(842)**	(226)	(616)	272.6%
As a percentage of net revenue, excluding listing fees	**(19.1%)**	(2.5%)		

[1] *See non-IFRS measures*

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

The Company's consolidated 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 and provides this additional information in this MD&A. Non-IFRS measures include:

Adjusted Gross Profit adjusts gross profit to exclude non-recurring, one-time listing fees which are not considered part of on-going, normal operations and Management believes adjusted gross profit is a useful supplemental measure. 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.

EBITDA adds back certain non-cash items to net income or loss from continuing operations and is used by Management to measure operating performance. The Company defines EBITDA as earnings or loss before interest and accretion expense, income taxes expensed or recovered, depreciation and amortization, foreign exchange gains or losses, restructuring gains or losses, and other income and expense, including gains or losses on the sale of business or assets and asset and goodwill impairment charges. The Company's method of calculating EBITDA may differ from the method used by other issuers and, accordingly, the Company's EBITDA calculation may not be comparable to similarly titled measures used by other issuers.

Adjusted EBITDA further adjusts EBITDA by adding back income or expenses of a non-cash, 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 and ability to incur and service debt. The Company also uses Adjusted EBITDA as an executive compensation and valuation metric. Management believes Adjusted EBITDA to be an important indicator of normal operating performance since it removes the impact of certain non-recurring items that are not indicative of ongoing operating performance thereby giving 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.

Reconciliation of Gross Profit to Adjusted Gross Profit
(expressed in thousands of Canadian dollars

	Three months ended	
	June 30, 2021	June 30, 2020 Reclassified
	$	$
Gross profit	**1,040**	1,907
Add back non-recurring expenses		
Listing fees	**-**	140
Adjusted gross profit	**1,040**	2,047
Adjusted gross profit percentage	**23.6%**	22.9%

Reconciliation of Net loss from continuing operations to EBITDA and Adjusted EBITDA from continuing operations

(expressed in thousands of Canadian dollars)

A reconciliation of the Company's net loss to Adjusted EBITDA is outlined in the following table.

	Three months ended	
	June 30, 2021	June 30, 2020 Reclassified
	$	$
Net loss from continuing operations for the year	**(269)**	(946)
Interest and accretion expense	**656**	659
Depreciation and amortization	**122**	326
Foreign exchange gain	**(110)**	(928)
Other income	**(157)**	(22)
Restructure gain	**(1,157)**	-
EBITDA	**(915)**	(911)
Add back non-cash and non-recurring expenses		
Stock based compensation	**53**	6
Fines and penalties for shorts	**-**	98
Listing fees	**-**	140
Professional fees	**20**	28
Severance	**-**	413
Adjusted EBITDA	**(842)**	(226)

Revenue

Gross Revenue from continuing operations was $5.1 million, an 8% improvement versus the prior reported quarter ending March 31, 2021, representing the first quarter of sequential revenue growth in the past year[1]. This growth is a result of improving inventory levels and better customer service throughout the quarter, but particularly in the second half of the quarter. While revenue increased versus the previous quarter, revenue decreased versus the same quarter in the prior year[2]. The first quarter of fiscal 2021 had the highest revenues for any quarter in the year ended March 31, 2021. Working capital constraints in subsequent quarters impeded the Company's ability to effectively service customers' demand. Revenue was also negatively impacted by portfolio simplification which was initiated as part of the previously announced Project FIT initiative that will reduce active stock keeping units ("SKUs") across the business by approximately 60% this year. While this initiative to reduce SKUs may result in some revenue softness in the short term, this effort will enable the Company to focus on its best-selling SKUs, ultimately increasing revenue while improving gross profit percentages, lowering inventory holding costs and reducing waste. In addition, the suspension or de-prioritization of certain private label businesses in the United States and Canada resulted in lower revenues compared to the prior year. These private label businesses added complexity and distracted resources from building the Company's core brands.

Gross Profit Percentage

The Company's gross profit percentage for the three-month period ended June 30, 2021, increased to 23.6% of net revenue up from 21.7% in the same period in the prior year. The increase in gross profit percentage versus prior year is largely attributable to the following:

a) Lower listing fees: The Company did not incur listing fees with customers during the three-month period ending June 30, 2021, as it focused on improving inventory levels and customer fill rates on its core product portfolio.

[1] Quarter 1 2022 compared to Quarter 4 2021

[2] Quarter 1 2022 compared to Quarter 1 2021

b) Price increase impact: The Company announced pricing increases to customers during the three-month period ended June 30, 2021 with some modest pricing impacts starting to improve gross profit percentage by the later part of the quarter. Gross profit percentage is expected to improve in the following quarters as more pricing impacts are realized.

Similar to the Revenue improvement trend versus previous quarter, gross profit percentage increased substantially when compared to the previous quarter ended March 31, 2021.

Selling, General and Administrative ("SG&A") Expenses (SG&A is a non-IFRS measure)

Overall, SG&A expenses for the three-month period ended June 30, 2021 have decreased by 30.3% to $2.1 million compared to $3.0 million in the same three-month period in the prior year. The decrease in SG&A expenses is primarily attributable to the following:

a) General and administrative expenses for the three-month period ended June 30, 2021 decreased by $0.2 million or 67.4% to $0.1 million primarily due to lower depreciation expense on property, plant and equipment, and right of use assets.

~~b)~~ Storage and delivery expenses for the three-month period ended June 30, 2021 decreased by 40.5% to $0.47 million compared to $0.79 million in the prior year. This decrease is primarily attributable to the volume decline compared to the prior year.

c) Salaries and benefits expense for the three-month period ended June 30, 2021, declined 22.5% versus the prior year, primarily because of the non-recurring CEO severance payments expensed in the three-month period ended June 30, 2020.

d) Advertising and promotional expenses for the three-month period ended June 30, 2021 declined 43.9% and were 2.4% of gross revenue compared to 2.1% in the prior year. Management expects advertising and promotional spending to progressively increase to support its brands as gross profit percentages improve across the business.

Interest and Accretion Expense

Interest and accretion expense was consistent at $0.7 million in both the three-month periods ended June 30, 2021 and 2020.

Restructuring Gain

On May 12, 2021, the Company announced a restructuring initiative it referred to as Project FIT, designed to reduce costs and enhance shareholder value. During the three-month period ended June 30, 2021, the Company aggressively began this restructuring with the following previously announced actions: (a) the Company transitioned its CENTRAL ROAST operation from self-manufacturing to one of relying on third-party contract manufacturers and warehouses to produce, warehouse and distribute to customers those products in its portfolio. This action resulted in the Company exiting its long-term lease and selling its production and warehousing equipment – both of which resulted in gains to the business which were recorded in Restructuring. Additionally, during the quarter the Company terminated those employees involved in the Company's self-manufacturing and warehousing activities for its CENTRAL ROAST business, recording a Restructuring provision for severance, which was paid out in full prior to June 30, 2021; and (b) the Company began the initiative of reducing its active stock keeping units by 60%, intended to simplify and focus it business going forward. To the extent that it is required to incur a loss on the disposal of any of these discontinued stock keeping units, the Company plans, to the extent appropriate, to account for those provisions as part of this Restructuring. Furthermore, the Company intends to undertake additional restructuring initiatives through the balance of the year with respect to Project FIT and intends that any associated costs relating to these actions will also be accounted for as part of this Restructuring. The restructuring gain of $1,157 is composed of the following (a) gain on disposal of right to use assets of $859; (b) gain on sale of property, plant and equipment of $384; less (c) the severance costs associated with terminating the production and warehouse personnel at Central Roast as well as the professional fees associated with (a) and (b) as well as assisting with staff terminations, aggregating to a total expense of $86.

Other Income

During the three-month period ended June 30, 2021, the Company realized other income of $157 primarily due to government grants of $115 and royalty income received of $42 (2020 - $22) related to the sale of Rolling Meadow Dairy products to Organic Meadow Limited Partnership in 2019.

Foreign Exchange (Gain) Loss

During the three-month period ended June 30, 2021 the Company realized a foreign exchange gain of $0.1 million compared to a gain of $0.9 million in the prior year. This change reflects the degree of appreciation of the Canadian dollar during each three-month period where the gain primarily arose from (i) the revaluation of the USD denominated TD Bank ABL facility amounting to $nil (2020 - 0.45 million); and (ii) the revaluation of the USD denominated Galaxy VTB amounting to $0.13 million (2020 – $0.35 million).

Discontinued Operations

On May 21, 2019, the Company completed the sale of the assets within the Nothing But Nature ("NBN") business and for the years ended March 31, 2021 and 2020, the Company accounted for all activities of that business as a discontinued operation.

During the three-month period ended June 30, 2021, the Company disposed of its remaining packaging inventories (which had previously been written off in their entirety) held by The Cold Press Corp. with previously sold products under the CEDAR brand. For the three-month period ended June 30, 2021 and 2020, the Company accounted for all activities of that business as a discontinued operation.

Net Loss:

During the three-month period ended June 30, 2021 the Company reported a net loss of $0.3 million compared to a net loss of $0.9 million in the prior year. Net Loss was improved compared to prior year with the impact of higher gross profit percentage, significantly lower General and Administrative costs, lower Storage and Delivery costs and lower Salaries and Benefits offsetting lower Revenue compared to the prior year. Restructuring gains from the successful transition of the CENTRAL ROAST production model helped to fully offset foreign exchange gains reported in the prior year.

EBITDA:

For the three-month period ended June 30, 2021, the Company reported negative EBITDA of $0.9 million which was in-line to the prior year.

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

For the three-month period ended June 30, 2021, the Company reported negative adjusted EBITDA of $0.8 million compared to negative adjusted EBITDA of $0.2 million in the prior year.

CASH FLOWS
Summary Statement of Cash Flows

(expressed in thousands of Canadian dollars)

	Three months ended June 30,	
	2021	2020
		Reclassified
	$	$
Cash provided by (used for)		
Operating activities	**(2,817)**	(879)
Investing activities	**384**	(4)
Financing activities	**(232)**	814
FX gain on foreign cash and cash equivalents	**(53)**	69
Net increase (decrease) in cash	**(2,718)**	-
Cash - beginning the of the period	**4,030**	-
Cash – end of the period	**1,312**	**-**

Cash flow from operating activities consumed $2.8 million for the three-month period ended June 30, 2021 (2020 – $0.9 million). The private placements that occurred in December 2020 and March 2021 allowed the Company to normalize relationships and settle past-due obligations with many of its key suppliers and invest in inventory to increase customer fill rates and resume promotion activities with retailers going forward. While Management worked on these initiatives throughout the quarter many were not effective until closer to June 30, 2021. Cash flow from investing activities reflects the gain from asset sales regarding the wind-down of the Central Roast production and warehouse facility. Cash flow from continuing financing activities primarily reflects the net repayment of $0.2 million in loans and leases during the three-month period ended June 30, 2021 compared to a $0.8 million increase in loans and leases during the prior year.

LIQUIDITY AND CAPITAL RESOURCES

The Company monitors its capital structure and makes necessary adjustments to meet its objectives having regard for market conditions and for the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, taking on debt, or disposing of assets. Management and the Board of Directors review the capital structure on an ongoing basis.

The Company considers its capital to be share capital and debt. The Company assesses its capital requirements utilizing forecasting processes whereby working capital and operational cashflow are forecasted to identify any capital shortfall or surplus. The Company's budget is updated periodically, as required and based on experience.

During the year ended March 31, 2021, the Company raised a total net amount of $10.2 million in cash through two rounds of private placements which has moved the Company closer to its working capital targets. The Company used the proceeds in the fiscal quarter ended June 30, 2021 to begin rebuilding its inventory through pre-payments to suppliers as well as settling a portion of its past-due payables. During the quarter, Management was able to renegotiate payment terms with a number of suppliers and contract manufacturers. Further efforts are underway by Management to continue to improve payment terms with its supplier base.

Management believes that with the appropriate level of working capital and continued re-evaluation of various operating models for its sourcing and supply chain activities, it can improve its levels of sales and with further improvements to its operations, it can produce positive EBITDA and free cash flow to help finance the future growth opportunities available to the Company.

OFF-BALANCE SHEET ARRANGEMENTS

In October 2016, the Company issued a standby letter of credit for $0.2 million to one of its Canadian suppliers for extended credit terms. In September 2020, the stand-by letter of credit was replaced by a $0.2 million cash-backed letter of credit. During the same month, the Company secured the available credit limit of the corporate credit cards with $0.022 million in cash. The cash associated with the 'cash-backed' letter of credit and the corporate credit cards are recorded on the consolidated statement of financial position as restricted cash.

TRANSACTIONS BETWEEN RELATED PARTIES

The Company leases office space from a shareholder of the Company. The Company paid rent of $0.018 million during the three-month period ended June 30, 2021 (2020 – $0.03 million)

Under the terms of employment between the Company and the Executive Chairman and Interim CEO ("Interim CEO"), the Board of Directors agreed to pay the Interim CEO (a) the additional amount of $0.077 million for the period up to July 17, 2020 where this amount is unpaid and recognized in accounts payable and accrued liabilities, which was expensed during the year ended March 31, 2021; and (b) effective July 17, 2020, the Interim CEO's salary was increased (for the period of time he serves in this position) where the amount of this increase is also unpaid and recognized in accounts payable and accrued liabilities, which at March 31, 2021 amounted to $0.144 million. Both amounts set out in (a) and (b) above were to be paid at such time as the Board of Directors deemed it appropriate. During the three-month period ended June 30, 2021, at the instruction of the Board of Directors, both amounts set out in (a) and (b) above were paid in full.

Prior to August 22, 2019, the Company was introduced to Pivot Financial Inc. ("Pivot") as a potential lender to the Company. At that time, it was made clear to the Company, that the individual who made this introduction would be entitled to a referral fee from Pivot, should the Company use the services of Pivot. Subsequently, that individual became a director of the Company. On September 22, 2020, the Company entered into a lending agreement with Pivot and a referral fee in the amount of $0.04 million was paid to the director by Pivot from the closing fees paid to Pivot by the Company.

Key Management includes the Company's directors and officers. For the three-month period ended June 30, 2021 key Management includes the CEO, the former Interim CEO, the former CFO, the current CFO, the Brand Presidents of Love Child and Go Veggie, the General Manager of Central Roast and the directors (2020 – the former CEO, the Interim CEO, the CFO, the

Controller, the Brand Presidents of Love Child and Go Veggie, the General Manager of Central Roast and the directors). Compensation awarded to key Management includes salary, severance, director fees and share based payments. The following table presents key Management compensation and includes the effect of the agreement above:

(expressed in thousands of Canadian dollars)	**Three months ended**	
	June 30, 2021	June 30, 2020
Salary, severance and director fees	**305**	779
Share based payments	**44**	3

SUBSEQUENT EVENTS

Debt Settlement Agreement

On August 23, 2021, as required by the settlement of liabilities agreement (see note 12(a)), the Company issued 9,378,194 common shares to a third-party service provider to settle $656 of liabilities. The fair market value as represented by the closing price of the common shares of the Company on August 23, 2021, was $0.075 per share.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Management's discussion and analysis of its financial condition and results of operations, including the discussion on liquidity and capital resources, is based upon the Company's consolidated financial statements, which have been prepared in accordance with IFRS unless otherwise noted.

The preparation of these consolidated financial statements requires Management to make estimates and judgements that affect the reported amounts of assets, liabilities, revenue, expenses and related disclosure of contingent assets and liabilities. On an ongoing basis, Management evaluates its estimates and judgements, particularly those related to the determination of expected credit loss on accounts receivable, provisions for inventory, business combinations, intangible assets valuation and goodwill impairment. Management bases its estimates on historical experience and on various other assumptions, which are believed to be reasonable under the circumstances, the results of which form the basis for making judgements about the carrying value of assets and liabilities that are not readily apparent from other sources.

No known trends, commitments, events or other uncertainties are currently believed to materially affect the assumptions used.

Critical accounting estimates and judgements are described in greater detail in the Company's audited annual consolidated financial statements for the year ended March 31, 2021.

CHANGES IN ACCOUNTING POLICIES / FUTURE ACCOUNTING POLICY CHANGES

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

RISKS AND UNCERTAINTIES

The Company is subject to certain risks and uncertainties that could have a material adverse effect on the Company's results of operations, business prospects, financial condition and the trading price of its common shares. These risks and uncertainties include: COVID-19, inflationary pressure including the risk of increased commodity prices, cyclicality, reduction in demand, seasonality, competition, information management, foreign exchange, labour, income tax matters, the renewal or refinancing of existing debt, interest rates on debt refinancing or renewal, customer concentration, relationships with suppliers, product liability, capital and liquidity risk, collections from customers, interest rates, distribution agreements, lack of long-term customer sales agreements, dependence on key personnel, and growth challenges.

In addition to the new operating strategy and vision described above, in May 2021 the Company announced the launch of Project FIT, a multi-pronged initiative expected to deliver cost savings in excess of $2.0 million annually starting in the second half of the year ending March 31, 2022. On July 21, 2021 the Company updated its outlook with respect to Project FIT, identifying that it had plans in place for savings in excess of $2.0 million and was raising its target for savings by an additional $1.0 million. Currently, one of the most meaningful risks to the business would be an inability to successfully implement this operating strategy and successfully complete Project FIT. While Management remains confident with its progress, there can be no certainty in this regard.

Management is rebuilding required levels of inventory and improving customer service levels across all three of the branded businesses it operates. By the end of the quarter ended June 30, 2021, considerable progress had already been made, leading to the resumption of promotional activities with retailers which is expected to improve sales going forward. In the current fiscal year, the Company has been able to regain distribution with certain strategic customers. In addition, the Company has been able to accelerate its new channel growth across a number of important e-commerce platforms. Aligned with its Focused Growth Strategy, Management has prioritized improvements in gross profit percentages through better product mix, price increases and enhanced cost management. While Management remains confident with respect to these initiatives, execution risk remains a key consideration.

GreenSpace has been able to rebuild credibility with much of its supplier base and renegotiate payment terms with a number of key suppliers across its ingredient and manufacturing network. In addition, Management has successfully been able to implement a number of price increases across its customer base. While rebuilding customer sales momentum may take time after the working capital challenges of the year ended March 31, 2021, Management believes that the foundational elements have been established to deliver improvements in both topline performance and profitability improvements, particularly moving into the second half of the current fiscal year. Management believes that the rapid implementation of its Focused Growth Strategy will drive improvements in the operation over time, produce positive adjusted EBITDA and free cash flow to help finance the future growth opportunities available to the Company.

With respect to a large portion of its debt, Management is currently negotiating with certain existing lenders whose loans come due in late September 2021. Management is confident that it will be successful in these negotiations but there can be no assurance in that regard, nor can there be assurance that the interest rates charged and other terms associated with any such renewal agreements will be at the same rates currently paid or payable by the Company or on terms and conditions similar to the existing facilities.

OUTSTANDING SHARE DATA

As of June 30, 2021, the Company had:

- 445,074,966 common shares issued and outstanding;
- 188,179,880 share purchase warrants convertible into 188,179,880 common shares of the Company; and
- 17,149,433 compensation stock options, convertible into 17,149,433 common shares of the Company.

OUTLOOK

This section (and throughout this MD&A) contains certain forward-looking statements. Please refer to the disclosure under the heading “Forward-Looking Statements” for a discussion of risks and uncertainties related to such statements.

On March 31, 2021, the Company announced the hiring of Shawn R. Warren to be the Company’s President and CEO effective April 5, 2021, replacing Paul Henderson who had been serving as Interim CEO since July 17, 2020. Under the new CEO’s leadership, a new Vision, Strategic Plan, Operating Plan and Organization Model were developed and approved by the Board of Directors in May 2021.

With respect to the Strategic and Operating Plan, Management believes that there are several fundamental trends occurring within both the North American food and snack landscapes that will continue to support consumer demand for the Company’s brands and products. Organic and plant-based food and snack options are leading the growth in their respective categories, driving significant consumer and retail customer interest. They represent tremendous growth potential for the Company as consumers’ food and snack choices evolve. Consumers are increasingly seeking out food and snack options that deliver health, convenience, quality and authenticity. Management believes that its portfolio of brands is well-positioned to meet these consumer needs. In addition, changes in shopping behaviours and snacking behaviours have accelerated as a result of the COVID-19 pandemic, presenting new opportunities for the business that Management is actively pursuing.

Management believes that its new Vision, Strategic Plan and implementation of its Focused Growth Strategy will lead to significant improvements in adjusted EBITDA starting in the second half of the year ending March 31, 2022 and continuing into subsequent years.

Management is rebuilding required levels of inventory and improving customer service across all three of its branded businesses. Considerable progress has already been made, leading to the resumption of promotional activities with retailers which is expected to improve revenue as the year progresses. In the current fiscal quarter, the Company has been able to regain distribution with certain strategic customers and has been able to accelerate its new channel growth across e-commerce platforms. Aligned with its Focused Growth Strategy, Management has prioritized improvements in gross profit and overall profitability through better product mix, price increases and enhanced cost management.

In May 2021, the Company announced the launch of Project FIT, a multi-prong initiative that was expected to deliver cost savings in excess of $2.0 million annually starting in the second half of the current fiscal year. As part of Project FIT, the transition of CENTRAL ROAST to a contract manufacturer model was completed at the end of June 2021 and efforts to lower ongoing SG&A costs are on-track for the second half of the current fiscal year. In July 2021, the Company announced that it has achieved its original expectation of Project FIT for annualized cost savings in excess of $2.0 million and Management is now targeting an additional $1.0 million in savings, amounting to $3.0 million in total, on an annualized basis starting in the second half of its current fiscal year.

GreenSpace has been able to begin rebuilding credibility with its supplier base and renegotiate payment terms with a number of key suppliers across its ingredient and manufacturing network. While rebuilding customer revenue momentum may take time after the working capital challenges of the two years just ended, Management expects that the foundational elements have been established to deliver improvements in both topline performance and profitability improvements, particularly moving into the second half of the current fiscal year. Additional restructuring costs aligned with the Project FIT initiative are expected to come in the current fiscal quarter and will lower fixed costs going into the second half of the current fiscal year and beyond. Management believes that the rapid implementation of its Focused Growth Strategy will drive improvements in the operation over time, produce positive adjusted EBITDA and free cash flow to help finance the future growth opportunities available to the Company.

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.

ADDITIONAL INFORMATION

Additional information, including the Company’s annual information form, is on SEDAR at www.sedar.com.