GREENSPACE REPORTS FIRST QUARTER RESULTS HIGHLIGHTING SEQUENTIAL QUARTERLY REVENUE GROWTH[1] IMPROVED GROSS PROFIT PERCENTAGE, COST REDUCTIONS FROM PROJECT FIT AND REDUCED NET LOSS OVER PRIOR YEAR[2]

TORONTO, August 30, 2021 /CNW/ - GreenSpace Brands Inc. ("GreenSpace" or the "Company") (TSXV: JTR), a leader within the organic and plant-based food industry, announces that it has filed its Condensed Consolidated Interim Financial Statements for the three-month period ended June 30, 2021 and its related Management Discussion and Analysis.

SUMMARY RESULTS OF QUARTER ONE FISCAL 2022:

- **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. 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 margins, 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** increased to 23.6%, up from 21.7% in the prior year[2], primarily due to: (i) lower listing fees as the Company focused on improving inventory levels on its core product portfolio; and (ii) price increase impacts starting in the later part of the quarter. It is important to note that the impact of price increases announced to customers were modest in this three-month period and are expected to be stronger contributors to gross profit percentage improvement in subsequent quarters. Gross profit percentage also increased substantially when compared to the quarter ended March 31, 2021.
- **Net Loss** of $0.3 million was improved compared to a net loss of $0.9 million in the prior year[2] 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

[1] Quarter 1 2022 compared to Quarter 4 2021
[2] Quarter 1 2022 compared to Quarter 1 2021

successful transition of the CENTRAL ROAST production model helped to fully offset foreign exchange gains reported in the prior year.

"Since April, we have made solid progress on embedding our new Focused Growth Strategy across all aspects of the business and heightening our drive towards profitable growth," said Shawn Warren, President and CEO of GreenSpace Brands Inc. "This quarter started to show encouraging progress on our transformation agenda. Project FIT cost savings efforts are progressing, in particular with the successful restructuring of the CENTRAL ROAST production model during the quarter that will yield ongoing benefits. Revenue momentum is expected to improve as we move through the fiscal year with better inventory positions aiding our efforts to improve pricing, build consumption with wide-spread customer promotions, launch margin-accretive innovations and accelerate our channel expansion and route to market excellence initiatives."

OUTLOOK:

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.

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, which Management believes 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.

ABOUT GREENSPACE BRANDS INC.:
GreenSpace is a North American organic and plant-based food business that develops, markets and sells premium food products to consumers within the fast-growing natural and organic food categories. GreenSpace owns LOVE CHILD ORGANICS, a producer of 100% organic food for infants and toddlers made with natural and nutritionally-rich ingredients, CENTRAL ROAST, a clean snacking brand featuring a wide assortment of organic nut and seed mixes and GO VEGGIE, one of the pioneers and leaders in the US plant-based dairy market. All brands are wholly-owned and are sold in a variety of online, natural and retail grocery locations.

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

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION:
This news release includes certain information that may constitute "forward-looking information" under applicable Canadian securities legislation. Forward-looking information is necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, certain of which are beyond the control of GreenSpace, including, but not limited to, 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; and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking information, including the risks identified in the Company's disclosure documents. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. All forward-looking information contained in this press release is given as of the date hereof and is based upon the opinions and estimates of management and information available to management as at the date hereof. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.

NON-IFRS FINANCIAL MEASURES AND KEY METRICS
This news release makes reference to a non-IFRS measure, "EBITDA". This measure is not a recognized measure under IFRS and does not have a standardized meaning prescribed by IFRS and is therefore not necessarily comparable to similar measures presented by other companies. Rather, this measure is provided as additional information to complement those IFRS measures by providing further understanding of the Company's results of operations from management's perspective. Accordingly, this measure should not be considered in isolation nor as a substitute

for analysis of the Company's financial information reported under IFRS. This non-IFRS measure is used to provide readers with supplemental measures of the Company's operating performance and liquidity and thus highlight trends in the Company's business that may not otherwise be apparent when relying solely on IFRS measures. The Company also believes that securities analysts, investors and other interested parties frequently use non-IFRS measures, including industry metrics, in the evaluation of companies in the Company's industry. The Company also uses non-IFRS measures and industry metrics in order to facilitate operating performance comparisons from period to period, the preparation of annual operating budgets and forecasts and to determine components of executive compensation.

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