GREENSPACE BRANDS INC. REPORTS FIRST-HALF FISCAL 2022 RESULTS HIGHLIGHTING IMPROVED GROSS PROFIT PERCENTAGE AND COST REDUCTIONS FROM PROJECT FIT

TORONTO, Nov. 23, 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 and six-month periods ended September 30, 2021 and its related Management Discussion and Analysis.

SUMMARY RESULTS OF FIRST HALF OF FISCAL 2022:

- Gross Revenue from continuing operations was $9.5 million over the six-month period ended September 30, 2021, a decrease of 46% compared to prior year[1]. Year-over-year, Gross Revenue was negatively impacted by the decision of select customers, during the prior fiscal year, to stop doing business with the Company or to reduce their product assortment. These decisions were based on poor customer service levels as a consequence of the Company's prior year working capital constraints. With improvements in customer service levels over the last quarter, some of these customers have chosen to relist certain products and the Company will continue to seek to expand its customer base amongst former and new customers. The Company's decision to suspend or de-prioritize certain private label businesses in the United States and Canada during the year also contributed to lower Gross Revenue compared to the prior year. These private label businesses added complexity and distracted resources from building the Company's core brands. As anticipated the portfolio simplification initiated as part of the previously announced Project FIT initiative also negatively impacted Gross Revenue. This initiative will reduce active stock keeping units ("SKUs") across the business by approximately 60% this year, which will result in some revenue softness in the short term. In the long term it will enable the Company to focus on its best-selling SKUs, ultimately increasing revenue, improving gross margins, lowering inventory holding costs and reducing waste.

- Gross Profit Percentage increased to 22.2% for the six-month period ended September 30, 2021, up from 20.1% in the prior year[1], primarily comprising: (i) a 1.7 percentage point improvement due to a better portfolio mix as a result of discontinuing lower margin items and increasing the sale of higher margin items across our branded portfolio; (ii) a 2.9 percentage point improvement in product costs principally due to savings arising from Project FIT initiatives and more favourable foreign exchange which more than offset inflationary pressures on input costs; both of which were partially offset by (iii) a 2.5 percentage point reduction in net pricing as the Company's investment in promotion activities with certain strategic retailers surpassed increases to list prices achieved during the period.

- Selling, General and Administrative (SG&A) expenses of $3.8 million for the six-month period ended September 30, 2021 were reduced by 36.4% compared to $6.0 million in the prior year[1] with significant fixed cost reductions due to Project FIT. It is important to note that even within this double-digit reduction in SG&A expenses, advertising and consumer promotion investments increased by over 40% compared to prior year.

- EBITDA[2] of negative $2.0 million over the six-month period ended September 30, 2021 was improved 29% compared to negative $2.8 million in the prior year[1] with the impact of higher gross profit percentage, significantly lower costs, combining to offset the impact of lower gross revenue compared to the prior year[1].

- Adjusted EBITDA[2] of negative $2.0 million over the six-month period ended September 30, 2021 declined 43% compared to negative $1.4 million in the prior year. Adjusted EBITDA over the most-recent three-month period ended September 30, 2021 is consistent with prior year results[3].

[1] First-half Fiscal 2022 compared to First-half Fiscal 2021.
[2] **EBITDA** adds back certain non-cash items to net income or loss from continuing operations and is used by Management to measure operating performance. **Adjusted EBITDA** further adjusts EBITDA by adding back income or expenses of a non-cash, non-recurring, unusual or one-time nature. Refer to Company's Management Discussion and Analysis.
[3] Quarter 2 Fiscal 2022 compared to Quarter 2 Fiscal 2021.

"Since April, we have been embedding our new Focused Growth Strategy across the business and heightening our drive towards profitable growth," said Shawn Warren, President and CEO of GreenSpace Brands Inc. "We are seeing encouraging progress with stronger service levels, broad retailer support, new distribution channel wins and continued momentum from Project FIT cost savings initiatives from our motivated team. Revenue is expected to improve as we move through the second-half of the fiscal year, with better inventory levels supporting our efforts to improve pricing, build consumption with customer promotions, launch margin-accretive innovations and accelerate our channel expansion and route to market excellence initiatives. Exciting new product launches are currently being presented to retail customers and we will formally announce these new products in January 2022. Compared to prior year, it is important to note that EBITDA improvements have accelerated in the latest fiscal quarter, despite a challenging revenue comparable over the same timeframe. Management expects EBITDA improvements as revenue and gross profit percentage increases and as Project FIT initiatives yield more benefits in the second-half of the current fiscal year. Our successful equity raise and debt renewals completed in September 2021 will help to accelerate our transformation 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 has improved customer service levels across all three of its branded businesses, leading to the resumption of widespread promotional activities with retailers which is expected to improve revenue as the year progresses.

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, as well as new customer channels. 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 rebuild 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 previous two years, 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 over subsequent quarters 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 and contains statements that may constitute "forward-looking information" and "forward-looking statements", respectively, under applicable securities law. Forward-looking statements can be identified by words such as: "anticipate", "intend", "plan,", "goal", "believe", "project", "estimate", "expect", "strategy", "likely", "may", "should", "will", and similar references to future periods. Examples of forward-looking statements include, among others, statements we make regarding guidance relating to fiscal year 2022 EBITDA and expected operating results, such as revenue growth and earnings. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are 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 statements contained in this press release are 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. Except as required by applicable securities laws, we undertake no obligation to publicly update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.

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.

For further information, please contact:
Shawn Warren
President and Chief Executive Officer
GreenSpace Brands Inc.
swarren@greenspacebrands.com, 416-934-5034