GREENSPACE BRANDS INC.

Management's Discussion and Analysis

For the three-month periods ended June 30, 2022 and 2021

GreenSpace Brands Inc.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
of Financial Condition and Results of Operations
For the three-month periods ended June 30, 2022 and 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 periods ended June 30, 2022 and 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 years ended March 31, 2022 and 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 25, 2022.

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 small 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 a number of 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 included tubs, large and small bags, single-serve bags, and scoop bulk bags in a range of product lines. During the year ended March 31, 2022, Management adopted a third-party manufacturing model and rationalised its SKU offerings to focus on its best-selling resealable large bags as part of its Project FIT simplification initiatives.

GO VEGGIE

Galaxy Nutritional Foods, Inc. ("Galaxy") created the cheese alternative category for health-conscious consumers 50 years ago 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.

2047480 Ontario Ltd. formerly known as 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 for accounting purposes, 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 implemented a new Strategic Plan and set a new **Vision** of **"We make organic and plant-based snacks more delicious".** The Strategic Plan is intended to enable the Company to better align its efforts towards expanding within 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. Over time this is expected to enable investments 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 this Focused Growth Strategy will result in significantly improved business performance over time. Significant steps have been undertaken and announced by Management to improve business performance in congruence with its Focused Growth Strategy.

FIRST QUARTER CONSOLIDATED RESULTS

The following is a table and description of the first quarter consolidated operational results for the Company's continuing operations.

Condensed Consolidated Statements of Operations and Comprehensive Loss

(expressed in thousands of Canadian dollars)	For the three months ended June 30			
	2022	2021	Inc/(Dec)	Inc/(Dec)
	$	$	$	%
Gross revenue	**5,121**	5,123	(2)	(0.0%)
Less: rebates and discounts	**(871)**	(712)	(159)	22.3%
Less: listing fees	**(86)**	-	(86)	
Net revenue	**4,164**	4,411	(247)	(5.6%)
Cost of goods sold	**3,315**	3,412	(97)	(2.8%)
Gross profit	**849**	999	(150)	(15.0%)
Gross profit percentage	**20.4%**	22.6%		
Adjusted gross profit[1]	**935**	999	(64)	(6.4%)
Adjusted gross profit percentage	**22.0%**	22.6%		
General and administrative	**122**	106	16	15.1%
Storage and delivery	**547**	471	76	16.1%
Salaries and benefits	**739**	1,135	(396)	(34.9%)
Advertising and promotion	**90**	83	7	8.4%
Professional fees	**82**	99	(17)	(17.2%)
Stock-based compensation	**60**	53	7	13.2%
Amortization of intangible assets	**42**	89	(47)	(52.8%)
Loss before underlying items	**(833)**	(1,037)	204	(19.7%)
Interest expense	**595**	578	17	2.9%
Accretion expense	**461**	78	383	491.0%
Restructuring gain, net	**-**	(1,157)	1,157	(100.0%)
Other income	**(150)**	(157)	7	(4.5%)
Foreign exchange loss (gain)	**104**	(110)	214	(194.5%)
Loss before income taxes	**(1,843)**	(269)	(1,574)	585.1%
Net loss from continuing operations	**(1,843)**	(269)	(1,574)	585.1%
Net gain (loss) from discontinued operations	**-**	(14)	14	(100.0%)
Net loss	**(1,843)**	(283)	(1,560)	551.2%
EBITDA[1]	**(785)**	(915)	130	(14.2%)
As a percentage of net revenue	**(18.9%)**	(20.7%)		
Adjusted EBITDA[1]	**(639)**	(842)	203	(24.1%)
As a percentage of net revenue, excluding listing fees	**(15.0%)**	(19.1%)		

[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 together with 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 a 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, 2022	June 30, 2021
	$	$
Gross profit	**849**	999
Add back non-recurring expenses		
Listing fees	**86**	-
Adjusted gross profit	**935**	999
Adjusted gross profit percentage	**22.0%**	22.6%

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, 2022	June 30, 2021
	$	$
Net loss from continuing operations for the year	**(1,843)**	(269)
Interest and accretion expense	**1,056**	656
Depreciation and amortization	**48**	122
Foreign exchange loss (gain)	**104**	(110)
Other income	**(150)**	(157)
Restructuring gain, net	**-**	(1,157)
EBITDA	**(785)**	(915)
Add back non-cash and non-recurring expenses		
Stock based compensation	**60**	53
Listing fees	**86**	-
Professional fees	**-**	20
Adjusted EBITDA	**(639)**	(842)

Gross Revenue

Gross Revenue from continuing operations for the three-month period ended June 30, 2022 was $5.1 million, essentially unchanged compared to the same period in the prior year and 26.6% higher than the three-month period ended March 31 2022. Gross revenue was impacted by the following:

1. In the fiscal year ended March 31, 2021 certain customers decided to stop doing business with the Company or to reduce their product assortment given poor customer service levels at that time. Some of these customers were still doing business with the Company during the period ended June 30, 2021, but this had been discontinued before the period ended June 30, 2022, negatively impacting Gross Revenue on a comparative basis.
2. On December 23, 2020 and on March 30, 2021, the Company raised net cash proceeds of $10.2 million through private placements. By March 31, 2021, the Company had used a portion of these proceeds to significantly improve its levels of finished goods inventory and, as a result, was able to sell customers the inventory they needed to return their inventory levels to targets they had previously set for the Company's products. This one-time event, which positively impacted Gross Revenue for the three-months ended June 30, 2021, did not recur during the period ended June 30, 2022 since the Company had been able to appropriately service customer's needs during the past twelve-months.
3. Price increases implemented by the Company, in response to increasing costs, which were put into effect subsequent to June 30, 2021, positively impacted Gross Revenue during the three-months ended June 30, 2022, as compared to the same period in the prior year.
4. The Company's largest customer introduced several new products and expand its listing base of the Company's products during the three-months ended June 30, 2022 which positively impacted the level of sales made to this customer as compared to the same period in the prior year.
5. The portfolio simplification implemented by the Company as part of the previously announced Project FIT initiative, reduced active stock keeping units ("SKUs") across the business. As expected, this initiative in the short-term led to some revenue losses for discontinued items, however enabled the Company to achieve higher gross revenue per SKU on the simplified portfolio, which positively impacted the total Gross Revenue during the period ended June 30, 2022, as compared to the same period in the prior year.

Gross Profit Percentage

The Company's gross profit percentage for the three-month period ended June 30, 2022, was 20.4% of net revenue, a decrease from 22.6% in the prior year. This 2.2 percentage point decrease is largely attributable to; (i) inflationary cost increases in raw materials and contract manufacturing services; (ii) listing fees incurred for broadening the distribution of new and margin-accretive new products in the portfolio, which were not incurred during same three-month period of the prior year; and (ii) the return to higher promotional activities to drive growth of the branded business – all of which were only partially offset by the positive benefits of: (i) price increases implemented subsequent to the three-month period ended June 30, 2021; and (ii) the lower provision for slow-moving and obsolete inventory in the three-month period ended June 30, 2022, as compared to the same period on the prior year. Excluding listing fees incurred during the three-month period ended June 30, 2022, the Company's adjusted gross profit percentage was 22.0%, generally in-line with the prior year period. It is important to note that the Company has announced additional price increases to its customers during the quarter to help offset industry-wide inflationary pressures. These additional price increases are expected to protect gross profit percentage over subsequent periods. In addition, the Company continues to progress its Project FIT cost savings initiatives which are expected to help achieve its gross profit percentage targets.

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, 2022 have decreased by 15.8% to $1.6 million compared to $1.9 million in the same period in the prior year. The decrease in SG&A expenses is primarily attributable to the following:

- General and administrative expense of $0.1 million was essentially unchanged from the same period in the prior year. Cost savings of during the period ended June 30, 2022 which were generated by the Project FIT initiative offset the negative effect of lower recoveries for expected credit losses as compared to the same period in the prior year.
- Storage and delivery expenses for the three-month period ended June 30, 2022, increased by $0.1 million or 16.1% to $0.5 million. This is primarily a result of inflationary cost increases, as well as higher volumes sold and shipped through the Company's growing direct-to-consumer (DTC) channel.
- Salaries and benefits expense for the period ended June 30, 2022, decreased by $0.4 million or 34.9% to $0.7 million, primarily as a result of streamlining the organization as part of the Project FIT initiative. There were 24.5 full-time employees at the end of the period ended June 30, 2022, as compared to 43 full-time employees at the beginning of the same period in the prior year.
- Advertising and Promotion expense of $0.1 million and Professional fees of $0.1 million were essentially unchanged from the same period in the prior year.

Interest and Accretion Expense

Interest and accretion expense for the three-month period ended June 30, 2022 increased by $0.4 million or 61.0% to $1.1 million primarily due to higher accretion expense than in the same period in the prior year.

Restructuring (Gain) Expense

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 year ended March 31, 2022, the Company implemented this restructuring with the following previously announced actions:

- **Exit of Self-Manufacturing at Central Roast**: The Company transitioned its Central Roast operation from self-manufacturing to one of relying on third-party contract manufacturers and warehouses to produce, store and distribute products to customers. This resulted in the Company exiting its long-term lease, selling its production and warehousing equipment and terminating those employees involved in the self-manufacturing and warehousing activities for its Central Roast business – the net impact of which resulted in gains to the business which were recorded in Restructuring. During the three-month period ended June 30, 2022, the Company recorded Restructuring gains of $nil (2021 - $1.2 million).
- **Portfolio Simplification**: In order to simplify and focus its business going forward the Company undertook an initiative to reduce its active SKUs. Any resultant loss on the disposal of any of these discontinued SKUs was reflected in Restructuring. These actions have seen a 69% reduction in SKUs to date. During the period ended June 30, 2022, the Company recorded a Restructuring expense associated with this initiative of $nil (2021 - $nil).
- **Organization Optimization**: The Company streamlined its management structure and certain costs and recoveries relating to these decisions and actions were recorded as Restructuring. Total full-time employee ("FTE") headcount has

reduced from 26.5 FTEs at the start of the current fiscal year (2021 – 43 FTE) to 24.5 FTEs as at June 30, 2022 (2021 – 31 FTE). During the period ended June 30, 2022, the Company recorded a Restructuring expense associated with this initiative of $nil (2021 - $nil).

The Company may undertake additional restructuring initiatives over time as part of Project FIT and intends that any associated costs relating to these actions will also be accounted for as part of Restructuring.

Other Income

During the three-month period ended June 30, 2022, the Company realized other income of $0.2 million, unchanged from the same period in the prior year.

Foreign Exchange (Gain) Loss

During the three-month period ended June 30, 2022 the Company incurred a foreign exchange loss of $0.1 million compared to a gain of $0.1 million in the same period in the prior year. The change in foreign exchange is almost entirely attributable to the revaluation of the USD denominated Galaxy Vendor Take Back loan amounting to a $0.1 million loss (2021 – $0.1 million gain).

Discontinued Operations

On May 21, 2019, the Company completed the sale of the assets within the Nothing But Nature ("NBN") business and for the three-month periods ended June 30, 2022 and 2021, the Company accounted for all activities of that business as a discontinued operation.

During the year ended March 31, 2022, the Company disposed of the remaining packaging inventories (which had previously been written off in their entirety) of The Cold Press Corp. relating to the CEDAR brand. For the three-month periods ended June 30, 2022 and 2021, the Company accounted for all activities of that business as a discontinued operation.

Net Loss

During the three-month period ended June 30, 2022 the Company reported a net loss from continuing operations of $1.8 million compared to a net loss of $0.3 million for the same period in the prior year. This $1.5 million increase was primarily attributable to: i) restructuring gains of $1.2 million recognized in the prior year, ii) higher accretion expense recorded during the period ended June 30, 2022 of $0.5 million (2021 - $0.1 million), iii) lower salaries and benefits expenses of $0.7 million for the period ended June 30, 2022 (2021 - $1.1 million), iv) higher rebates and discounts of $0.9 million for the period ended June 30, 2022 (2021 - $0.7 million), and v) foreign exchange gains of $0.1 million for the period ended June 30, 2022 (2021 – $0.1 million loss).

EBITDA

For the three-month period ended June 30, 2022, the Company reported negative EBITDA of $0.8 million (2021 – $0.9 million) which represents a 14.2% improvement compared to the prior year. This is largely attributable to lower salaries and benefits expenses of $0.7 million (2021 - $1.1 million) which is partially offset by higher rebates, discounts and listing fees of $1.0 million (2021 - $0.7 million).

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

Adjusted EBITDA for the three-month period ended June 30, 2022, of negative $0.6 million (2021 - negative $0.8 million) was 24.1% better than in the same period of the prior year, reflecting the matters described above.

CASH FLOWS

Summary Statement of Cash Flows
(expressed in thousands of Canadian dollars)

	Three months ended June 30,	
	2022	2021
	$	$
Cash provided by (used for)		
Operating activities	**(1,095)**	(2,614)
Investing activities	**-**	384
Financing activities	**252**	(435)
FX gain on foreign cash and cash equivalents	**35**	(53)
Net increase (decrease) in cash	**(808)**	(2,718)
Cash - beginning the of the period	**2,241**	4,030
Cash – end of the period	**1,433**	**1,312**

Cash flow from operating activities consumed $1.1 million for the three-month period ended June 30, 2022 (2021 – $2.6 million). This primarily reflects the net loss from continuing operations adjusted for accrued loan interest and accretion expenses which do not affect cash. Cash flow from investing activities in the prior year reflects the gain from asset sales regarding Central Roast's property, plant, and equipment. Cash flow from financing activities primarily reflects the net change to loans payable during the periods ended June 30, 2022 and 2021.

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 cash flow are forecasted to identify any likely capital shortfall or surplus. The Company's budget is updated periodically, as required.

During the year ended March 31, 2022, the Company was able to renegotiate payment terms with a number of suppliers and has continued with these efforts during the three-month period ended June 30, 2022.

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 level of sales and further improve its operations.

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

On October 8, 2021, Pender Growth Fund Inc. ("Pender"), a significant shareholder, acquired a portion of the Company's debt obligation to Primary Capital Inc. ("Primary"). As a result of this transaction, $1,031 of the Primary loan was reclassified to loan from a related party with the corresponding amount removed from loans payable. During the three-month period ended June 30, 2022, the Company recorded interest expense of $33 (2021 - $nil), with a corresponding increase in the amount of this related party loan.

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 that the individual who made this introduction would be entitled to a referral fee should the Company later 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, 2022 key management includes the CEO, the CFO, the Brand President of Love Child, the Vice President of North American Sales and the directors (2021 – 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). Compensation awarded to key management includes salary, severance, directors' fees and share based payments. The following table presents key management compensation:

(expressed in thousands of Canadian dollars)	**Three months ended**	
	June 30, 2022	June 30, 2021
Salary, severance and director fees	**208**	305
Share based compensation	**50**	44

SUBSEQUENT EVENTS

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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 years ended March 31, 2022 and 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, raw material and packaging availability, supply chain disruptions, 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.

Management has rebuilt required levels of relevant inventory and improved customer service levels across all three of its branded businesses. During the year ended March 31 2022, the Company resumed promotional activities with certain strategic retailers which is expected to improve sales going forward and, as a result, has regained some distribution. In addition, the Company has accelerated its new channel growth across a number of important e-commerce platforms. Aligned with this Focused Growth

Strategy, Management has prioritized improvements in profitability through better product mix, price increases and enhanced cost management. Currently, one of the most meaningful risks to the business is the inability to successfully implement this Focused Growth Strategy. While Management remains confident with respect to these initiatives, there can be no certainty in this regard.

The Company has been able to rebuild credibility with much of its supplier base and renegotiate payment terms with many key suppliers across its inventory 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 years ended March 31, 2020 and March 31, 2021, Management believes that the foundational elements are being established to deliver improvements in both topline performance and profitability. Management believes that the rapid implementation of its Focused Growth Strategy will drive improvements in the operation over time, though there can be no certainty in this regard.

Throughout North America, businesses are experiencing inflationary increases in their costs of goods and services. The Company, like other industry participants, has been the recipient of such cost increases in the recent past and Management expects this to continue until such time as inflation becomes less pronounced than it currently is on the world stage. Upon receipt of any such cost increase, the Company takes steps, as appropriate, to recover increased costs through price increases to its customers. To the extent that the Company is unable to fully recover cost increases through price increases or if the timing of price increases does not effectively match the timing of the cost increases, the Company's gross profit and gross profit percentage will be adversely impacted, While Management strives to mitigate the effect of this issue there can be no certainly that they will be successful in the timing or the magnitude of required price increases.

Almost all of the Company's loans payable mature on or around September 30, 2022 and extension, renewal or replacement facilities have not yet been arranged. There can be no certainty that Management will be successful in its negotiations with the current or alternative lenders to extend or replace these facilities nor is there certainty that the terms of any extension or replacement facility will be as favourable as the existing terms.

OUTSTANDING SHARE DATA

As of June 30, 2022, the Company had:

- 509,392,282 common shares issued and outstanding;
- 207,800,550 share purchase warrants convertible into 207,800,550 common shares of the Company; and
- 23,684,982 compensation stock options, convertible into 23,684,982 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.

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.

On June 2, 2022, the Company announced that it had initiated a review of strategic alternatives to enhance shareholder value which would consider a range of potential strategic alternatives. The Company engaged financial advisors to assist in the review and no formalized timetable was established for the completion of the strategic review.

Management believes that its new Vision, Strategic Plan and the implementation of its Focused Growth Strategy are contributing to improvements in Adjusted EBITDA as well as to more effective and efficient business operations. These improvements, which Management believes will continue to benefit future periods, include:

- **Simplification of the business** including a 69% reduction in the number of active stock-keeping units sold by the Company, thereby increasing its focus on higher-margin items. On an ongoing basis, these simplification initiatives are expected to materially improve the Company's cost base and use of cash.
- **Streamlining the organizational model** as part of Project FIT resulted in the reduction of FTEs from 43 to 24.5 by the period ended June 30, 2022. Salary and benefit costs during the year ended March 31, 2022 declined by $1.6 million

and further declined by an additional $0.4 million during the three-month period ended June 30, 2022 as compared to prior year. Further organizational streamlining efforts are expected to be implemented over the balance of this fiscal year.

- **Implementation of price increases** contributed to the improvement in the gross profit percentage during the year ended March 31, 2022. Additional price increases have been announced to trade customers and these are expected to offset industry-wide inflationary pressures and should preserve gross profit percentage over subsequent quarters.
- **Expanded distribution with large Canadian retailers** of the Company's core product portfolio as well as new margin-accretive innovations are expected to deliver improved topline performance over subsequent periods.

Management believes that as a result of these initiatives, the Company's cost structure is now better positioned to achieve profitability once its higher gross revenue targets are achieved. While Management remains optimistic about its ability to increase the Company's gross revenue through these initiatives within its Focused Growth Strategy, there can be no certainty in that regard.

Throughout North America, businesses are experiencing inflationary increases in their costs of goods and services. The Company, like other industry participants, has been the recipient of such cost increases in the recent past and Management expects this to continue until such time as inflation becomes less pronounced than it currently is on the world stage. Upon receipt of any such cost increase, the Company expects to takes steps, as appropriate, to recover increased costs through price increases to its customers. To the extent that the Company is unable to fully recover cost increases through price increases or if the timing of price increases does not effectively match the timing of the cost increases, the Company's gross profit and gross profit percentage will be adversely impacted, While Management strives to mitigate the effect of this issue there can be no certainly that they will be successful in the timing or the magnitude of required price increases.

Over the next several months, Management intends to continue its ongoing efforts to renew and/or replace the Company's debt which is coming due on or around September 30, 2022 (see "Risks and Uncertainties"), though there can be no certainty of success in this regard.

FORWARD-LOOKING STATEMENTS

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 2023 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 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 Management's Discussion and Analysis 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.

ADDITIONAL INFORMATION

Additional information, including the Company's annual information form dated July 20, 2021, is on SEDAR at www.sedar.com.