GREENSPACE BRANDS INC. REPORTS SECOND QUARTER FISCAL 2023 RESULTS, HIGHLIGHTING DOUBLE-DIGIT IMPROVEMENTS IN GROSS REVENUE, GROSS PROFIT PERCENTAGE AND ADJUSTED EBITDA VERSUS PRIOR YEAR

TORONTO, Nov 22, 2022 /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, 2022 and its related Management Discussion and Analysis.

SUMMARY RESULTS OF THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2022:

- **Gross Revenue** from continuing operations was $5.2 million, representing a 17.0% improvement versus the same prior year period[1] and grew modestly when compared to the prior three-month period[2]. The double-digit increase in Gross Revenue compared to same prior year period reflects the following:
    - The Company's **Love Child Organics** brand expanded product assortment with its customer base, introduced several new products, and increased their level of promotional activities, which positively impacted the level of Gross Revenue.
    - Price increases implemented by the Company, in response to increasing input costs, positively impacted Gross Revenue.
    - The positive impact of these factors on Gross Revenue were partially mitigated by: (i) significantly lower US sales to US liquidators as a direct consequence of the Company's improved supply-chain planning capabilities; (ii) the decision of select customers in the prior fiscal year, to stop doing business with the Company or reduce their volume of business given poor customer service levels in the previous two years; and (iii) loss of sales associated with discontinued SKUs.
- **Gross Profit Percentage** was 22.2% of net revenue, an increase of 13.2 percentage points from 9.0% in the same prior year period[1] and an increase of 1.8 percentage points from 20.4% in the prior three-month period[2]. These improvements are largely attributable to: the positive impacts of (i) price increases implemented during the period; and (ii) lower sales to US liquidators, as well as lower provisions for slow-moving and obsolete inventory resulting from the Company's strengthened supply chain planning capabilities; partially offset by the negative impacts of (iii) inflationary cost increases in raw materials and contract manufacturing services; and (iv) higher promotional spending and listing fees undertaken to drive growth of the business.
- **Selling, General and Administrative ("SG&A") expenses** of $1.7 million increased by 17.5% compared to $1.5 million in the prior year[1]. General and administrative expenses increased as a

[1] Quarter 2 Fiscal 2023 compared to Quarter 2 Fiscal 2022.
[2] Quarter 2 Fiscal 2023 compared to Quarter 1 Fiscal 2023.

result of the decrease in bad debt expense recoveries versus the same prior year period and higher storage and delivery expenses due to inflationary cost increases and higher Gross Revenue, partially offset with continued decreases in salaries and benefits expenses as part of the ongoing Project FIT initiative.

- **Net Loss from Continuing Operations** of $1.9 million improved 39.9% compared with a $3.1 million net loss in the same prior year period [2].
- **Adjusted EBITDA**[3] of negative $0.8 million was improved 34.4% compared to the prior year[1].

"Over the last 18 months, we have been implementing our 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 topline progress with broader retailer support, new distribution wins with large retailers and continued Project FIT cost savings initiatives. To address inflationary pressures across our industry, we have announced a series of additional pricing actions and trade spending optimization efforts with retail and foodservice customers. Our supply chain reinvention efforts are well underway to improve cost, quality and cash management. Overall, Management is optimistic that Fiscal 2023 will show continued adjusted EBITDA improvements with better topline growth and improved gross profit percentages compared to the prior year as we continue to turnaround the business."

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 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.

---

[3] See "*Non-IFRS Financial Measures And Key Metrics*" below. 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 the Company's Management Discussion and Analysis.

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 and expected operating results and projections, such as earnings growth and profitability. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based upon a number of estimates and assumptions made by management 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; to the expected impact of COVID-19; inflation; the Company's ability to access to capital; 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 non-IFRS measures, "EBITDA" and ”adjusted EBITDA”. These measures are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS and are therefore not necessarily comparable to similar measures presented by other companies. Rather, these measures are 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, these measures should not be considered in isolation nor as a substitute for analysis of the Company's financial information reported under IFRS. These non-IFRS measures are 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.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

For further information, please contact:

Shawn Warren
President and Chief Executive Officer
GreenSpace Brands Inc.
swarren@greenspacebrands.com
416-934-5034