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

TORONTO, February 28, 2022 /CNW/ - GreenSpace Brands Inc. ("GreenSpace" or the "Company") (TSXV: JTR), announces that it has filed its Condensed Consolidated Interim Financial Statements for the three-month and nine-month periods ended December 31, 2022 and its related Management Discussion and Analysis.

SUMMARY RESULTS OF THE THREE-MONTH PERIOD ENDED DECEMBER 31, 2022:

- **Gross Revenue** from continuing operations was $5.4 million, representing a 15.6% improvement versus the same prior year period[1] and grew modestly when compared to the prior three-month period[2]. The double-digit increase compared to same prior-year period reflects the following:
    - The Company's **Love Child Organics** brand expanded its product assortment with customers and introduced several new products which positively impacted Gross Revenue.
    - Price increases implemented by the Company, in response to higher costs positively impacted Gross Revenue.
    - The positive impact of these factors on Gross Revenue were partially mitigated by: (a) temporary supply chain disruptions for selected SKUs during October 2022; and (b) loss of sales associated with discontinued SKUs.
- **Gross Profit Percentage** was 20.7% of net revenue, a decrease of 1.6 percentage points from 22.3% in the same prior year period[1] and a decrease of 1.5 percentage points from 22.2% in the prior three-month period[2]. The Company's gross profit percentage was negatively impacted by: (a) increased listing fees associated with new product launches and expanded distribution within existing customers for **Love Child Organics**; (b) an increase in the Company's provision for slow moving and obsolete inventory; and (c) the impact of inflation on the Company's input costs, which offset previously implemented price increases and which will necessitate further price increases in the near term to compensate.
- **Selling, General and Administrative ("SG&A") expenses** of $1.4 million decreased by 16.0% compared to $1.7 million in the prior year[1], largely attributable to: (a) a 23.1% reduction in Storage and Delivery expenses, primarily due to having a lower quantity of inventory subject to storage costs; (b) a 16.8% reduction in Salaries & Benefits associated with streamlining the organization; and (c) a recovery on stock-based compensation.
- **Net Loss from Continuing Operations** of $1.3 million improved 19.3% compared with a $1.6

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[1] Quarter 3 Fiscal 2023 compared to Quarter 3 Fiscal 2022.
[2] Quarter 3 Fiscal 2023 compared to Quarter 2 Fiscal 2023.

million net loss in the same prior year period[2].

- **Adjusted EBITDA**[3] of negative $0.5 million was improved 36.7% compared to the prior year[1].

"Over the latest quarter, we continued to implement our Focused Growth Strategy across the business," said Shawn Warren, President and CEO of GreenSpace Brands Inc. "We are seeing robust topline progress on the **Love Child Organics** business with broad retailer support and new distribution wins. To address inflationary pressures across our industry, we have announced a series of additional pricing actions and trade spending optimization efforts with customers. The Company's ongoing cash and liquidity needs are being considered within the ongoing strategic review that was announced in June 2022; the Board and Management, working closely with advisors, continue to evaluate and progress strategic alternatives. However, there can be no assurances that the Company will be successful in this regard."

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. 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, expected operating results, projections, such as earnings growth and profitability, the Company's liquidity needs, and expectations of the effect on our financial condition of external forces, such as inflation. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based upon a number of estimates and

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[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.

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; inflation; the Company's ability to access to capital; the adequacy of our cash flow and earnings and other conditions which may affect our ability to service our debt as they come due; strategic actions, including acquisitions and dispositions, that may result from the ongoing strategic review; 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.

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