

GREENSPACE ANNOUNCES COMMENCEMENT OF RESTRUCTURING PROCEEDINGS, INTERIM FINANCING AND EXECUTION OF STALKING HORSE AGREEMENT

NEWS PROVIDED BY
GreenSpace Brands Inc. →
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TORONTO, April 6, 2023 /CNW/ - GreenSpace Brands Inc. ("**GreenSpace**" or the "**Company**") (TSXV: JTR) announces that, as part of the Company's ongoing restructuring efforts, the Company and certain of its subsidiaries, being Love Child (Brands) Inc. ("**Love Child**"), Central Roast Inc. ("**Central Roast**") and Life Choices Natural Food Corp. ("**Life Choices**", and collectively, with the Company, the "**Applicants**"), have commenced proceedings before the Ontario Superior Court of Justice (Commercial List) (the "**Court**") and obtained an initial order (the "**Initial Order**") under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**").

The Initial Order includes, among other things: (i) a stay of proceedings in favour of the Applicants for an initial 10-day period (the "**Initial Period**"), being the maximum stay period permitted under the CCAA for the Initial Order; (ii) approval of a debtor-in-possession financing facility (the "**DIP Loan**"); and (iii) the appointment of PricewaterhouseCoopers Inc., LIT as monitor of the Applicants (the "**Monitor**").

The Applicants are commencing restructuring proceedings under the CCAA with the support of the Company's senior lender, Pivot Financial I Limited Partnership ("**Pivot**"). The Applicants have executed a term sheet with Pivot (in such capacity, the "**DIP Lender**"), pursuant to which the DIP Lender will advance the DIP Loan in the amount of \$400,000 for the Initial Period. A

total of \$2,600,000 is available for borrowing under the DIP Loan, subject to Court approval of the additional availability at a subsequent hearing to be held within the Initial Period (the "**Comeback Hearing**").

In addition, the Company and Love Child have also entered into an Asset Purchase Agreement with Pivot (the "**Stalking Horse Agreement**"), under which Pivot (on behalf of an entity to be incorporated) has agreed to serve as the "stalking horse bidder" in a Court-approved sale and investment solicitation process (the "**SISP**") in respect of the Love Child Organics™ business. The Stalking Horse Agreement establishes a minimum value in the SISP for the Love Child Organics™ business, which is comprised of all or substantially all of the assets of Love Child and certain assets of GreenSpace related thereto, and ensures the continued operation the Love Child Organics™ business. Subject to Court-approval, the SISP will allow interested parties the opportunity to submit superior bids and participate in any auction process conducted pursuant to the terms of the SISP. The Applicants intend to seek Court-approval of the SISP at the Comeback Hearing. Unless the successful bid at the conclusion of the SISP provides for significantly higher value than the Stalking Horse Agreement, there is not expected to be any recovery for holders of equity interests in the Company. Certain members of the Company's senior management team have an interest in the entity to be formed by Pivot, which will be the purchaser under the Stalking Horse Agreement if the Stalking Horse Agreement is declared the successful bid under the SISP.

The board of directors of GreenSpace made the decision to commence CCAA proceedings and pursue the SISP, with the support of Pivot, after careful review and consideration of viable alternatives, and upon consultation with the Company's professional advisors, having consideration for the Company's challenging financial circumstances and pending debt maturities, among other things. The decision follows on the strategic review previously announced in June 2022, which did not yield any executable transactions of its Central Roast™ and Go Veggie™ businesses.

Pursuant to the Initial Order, the Applicants will continue operations throughout the CCAA proceedings, including with respect to the Love Child Organics™ business. The Applicants' management will, under the oversight of the Monitor, remain responsible for the day-to-day operations of the Applicants.

The Comeback Hearing is scheduled for April 14, 2023 at 2:15 p.m. (Toronto time), at which the Applicants intend to seek, among other things, an extension of the stay of proceedings until June 16, 2023, authorization to borrow up to the maximum amount of availability under the DIP Loan and approval of the SISP, including the use of the Stalking Horse Agreement as the "stalking horse bid" therein.

The Initial Order also authorized the Company to incur no further expenses in relation to making continuous disclosure filings under securities legislation and policies. Detailed information regarding the Applicants and their restructuring efforts, including Court materials filed in the CCAA proceedings, will be made available on the Monitor's website, at: www.pwc.com/ca/greenspace.

Trading of the Company's shares will be suspended, and the Company will be transferred to the NEX board of the TSX Venture Exchange.

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.

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, without limitation, statements regarding the Company's restructuring efforts, the ability of the Company to obtain approval of and implement the SISP, the ability of the Company to obtain all necessary approvals in order to complete any sale or other restructuring transaction identified as the successful bid in the SISP, the ability of the Company to operate during the CCAA proceedings, the continued operation of the Love Child Organics business, and the Company's intention to return to Court for the Comeback Hearing on April 14, 2023, among other things. Forward-looking statements are neither historical facts nor assurances of future

outcomes. 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; inflation; the Company's ability to finance operations; the adequacy of our cash flow and earnings and other conditions which may affect our ability to finance operations; strategic actions; the ability of the Company to retain qualified staff (including in light of the Company's restructuring efforts); 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 are 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.

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