

GreenSpace Brands Announces Launch of Project FIT Initiative to Reduce Costs and Enhance Shareholder Value

TSXV: JTR

www.greenspacebrands.ca

(all amounts in Canadian dollars unless otherwise noted)

TORONTO, May 12, 2021 /CNW/ - GreenSpace Brands Inc. ("**GreenSpace**" or the "**Company**") (TSXV: JTR), a leader within the organic and plant-based food industry, today announces aggressive plans to reduce ongoing operating costs through a restructuring program called Project FIT. This initiative, which is expected to deliver annualized cost savings in excess of \$2.0 million starting in the second-half of the fiscal year ending March 31, 2022 was approved by the Board of Directors as part of the new Strategic Plan for the business. Project FIT will create a leaner, simplified and more focused business, significantly reducing fixed and variable costs with the goal of enhancing shareholder value.

Project FIT is comprised of the following initiatives:

1. Exit self-manufacturing at Central Roast: Beginning July 2021 Central Roast's nut and snack mix products will be manufactured by a third-party provider with scale advantages and existing relationships with many of Central Roast's existing suppliers, which are expected to drive enhanced synergy savings for the business while maintaining our commitment to product quality. By the end of the current fiscal quarter, the Company will transition equipment and technical expertise and exit its current production and warehouse space.
2. Portfolio Simplification: The Company will reduce active stock keeping units ("skus") across the business by approximately 60% this year. The new simplified portfolio has strong customer demand and is expected to improve gross margins for the business. Reducing portfolio complexity will result in scale advantages with our supplier base, lower inventory holding costs, reduce waste and improve retail visibility and retail replenishment of our best selling skus across customer channels.
3. Supply Chain Reinvention: The Company has engaged a leading global integrated supply chain advisory and services organization, for a multi-year program expected to deliver significant ongoing cost savings as well as improved operational effectiveness and payment terms.
4. Zero-Based Budgeting: The Company has embraced a more robust zero-based budgeting approach to actively scrutinize all discretionary expenses and other costs to the business.
5. Organization Optimization: The Company's organization structure will be optimized and spans of control will increase. It is important to note that the Company will ensure continuity for strategic customer-facing relationships, designed to ensure ongoing customer support to our growth agenda over time.
6. Stronger Performance Management: The Company has significantly strengthened its performance management orientation, better aligning accountabilities and performance rewards with value creation and with investors' interests over the long-term.
7. Head Office Relocation: The Company will be relocating its head office at the end of its current

lease in October 2021. The new location will be announced in September 2021 and better fit the lean organization model and cost-conscious culture being embraced by our more focused team.

"The comprehensive set of strategic cost reduction efforts we announce today underscores our strong determination to become a more focused, efficient and profitable organic and plant-based food company," says Shawn Warren, President & CEO of GreenSpace Brands. "These efforts, which are aligned with our new Strategic Plan, will strengthen our core businesses, simplify how we work, unlock significant ongoing savings, and better release cash for the business to help fuel our profitable growth agenda. We believe the initiatives that we are announcing today will create the foundation to enhance shareholder value."

The Company expects to incur the majority of the program's one-time charges of approximately \$0.6 million in the first-half of its current fiscal year.

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 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.greenspace.ca and GreenSpace's filings are also available at www.SEDAR.com.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION: This news release includes certain information that may constitute "forward-looking information" under applicable Canadian securities legislation. Forward-looking information is necessarily 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 information contained in this press release is 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. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.

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