



CSE: **SHOE**
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GROUNDED PEOPLE ON DEFAULT ANNOUNCEMENT PURSUANT TO NATIONAL POLICY 12-203 – MANAGEMENT CEASE TRADE ORDERS

VANCOUVER, British Columbia, Canada – July 12, 2023 - **Grounded People Apparel Inc.** (“**Grounded**” or the “**Company**”) (CSE: **SHOE**, Frankfurt: **K1G**, WKN: **A3DVB1**, OTCQB: **GPAIF**), is providing this bi-weekly update on the status of the management cease trade order granted on June 29, 2023 (the “**MCTO**”) by its principal regulator, the British Columbia Securities Commission under National Policy 12-203 – *Management Cease Trade Orders* (“**NP 12-203**”), following the Company’s announcement on June 29, 2023 (the “**Default Announcement**”) that it was unable to file its audited annual financial statements for the financial year ended February 28, 2023, and accompanying management’s discussion and analysis, and related certifications (collectively, the “**Required Filings**”) on or before June 28, 2023, as required under applicable securities laws. The MCTO does not affect the ability of investors who are not insiders to trade in the securities of the Company.

The Company reports that: (i) there are no changes to the information contained in the bi-weekly status update dated June 29, 2023 that would reasonably be expected to be material to an investor; (ii) the Company is satisfying and confirms that it intends to continue to satisfy the provisions of the alternative information guidelines under NP 12-203 and issue bi-weekly default status reports for so long as the delay in filing the Required Filings is continuing, each of which will be issued in the form of a press release; (iii) there has not been any other specified default by the Company under NP 12-203, and, except as set forth below, no such other default is anticipated; (iv) the Company is not subject to any insolvency proceedings; and (v) there is no material information concerning the affairs of the Company that has not been generally disclosed.

The Company continues to work with its auditors to complete the audit of the Company’s consolidated financial statements and expects to file the Required Filings on or before August 28, 2023. The delays are due to interruptions associated with collection of the required data and documentation to complete the audit of the Company.

About Grounded People Apparel Inc.

Grounded People Apparel Inc. is a Vancouver, British Columbia, Canada based innovative apparel company focused on delivering high quality products to its customers that are 100% PeTA – APPROVED vegan. The Company is primarily engaged in the business of fair trade, sustainable and earth-conscious fashion. The Company’s initial products, which launched in the fourth quarter of 2021, are its high-top and low-cut canvas sneakers, which are made from sustainable, ethically-sourced and produced materials, and are manufactured by fair-trade workers, in a 100% vegan manufacturing facility which is located in Brazil.

In addition to its commitment to a fashion industry that reduces waste and environmental impacts, the Company aims to create a meaningful positive impact on the world through its L.A.C.E.S. campaign. The L.A.C.E.S. campaign provides consumers an option to select a specific set of shoelaces to accompany their footwear purchase the colour of which is associated with one of



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the charities the Company has committed to support, whereby all profits from the sale of shoelaces will be donated correspondingly.

ON BEHALF OF THE BOARD OF DIRECTORS

Maximilian Justus
Chief Executive Officer

For further information, please contact:

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The CSE has neither approved nor disapproved the contents of this news release. Neither the CSE nor its Market Regulator (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this release.

Forward-Looking Information and Statements

This news release includes certain “forward-looking statements” under applicable Canadian securities legislation, including with respect to information concerning the estimated filing date of the Required Filings. Forward-looking statements are necessarily based upon several estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward looking statements. Such factors include, but are not limited to general business, economic, competitive, political, and social uncertainties, and uncertain capital markets. Readers are cautioned that actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law