

Greenrise Advances its Leadership Position in Germany with the Acquisition of a Majority Interest in CannaCare Health GmbH and the Appointment of Frank Otto to its Board of Directors

HAMBURG, Germany , April 5, 2022 /CNW/ - Greenrise Global Brands Inc. (Frankfurt: C4T) (ISIN: CA39540L1085) (CSE: XCX) ("Greenrise"), which serves the medical and CBD cannabis market in Germany, and CannaCare Health GmbH (CannaCare), owner of CANOBO, one of Germany's leading CBD brands announce that Greenrise has acquired a 51% interest in CannaCare from its co-founders Frank Otto and the Oplesch family (CannaCare Shareholders).

This major acquisition immediately strengthens Greenrise's position in the CBD wellness market and builds on Greenrise's strategy to become a leader in the adult-use cannabis market in Germany.

Successful German business leaders Frank Otto and Michael Oplesch have strong backgrounds in the TV, health, and cosmetic industries and have built the CANOBO line of CBD products into one of the leading CBD brands in Germany, estimated by CannaCare management to be in the top three by market share by having a strong leadership position in national drugstore chains.

CannaCare corporate video can be found here: <https://youtu.be/oRof7cH5Vpw>

Strategic Rationale

- **Industry's leading brand:** CannaCare's CANOBO brand offers an extensive hemp-based CBD product portfolio including nutritional supplements, cosmetics, and sports products and has an extensive range of twenty CBD products consisting of tinctures, sprays and oils and skincare products that are made from natural raw materials and are safe, clean, non-toxic products manufactured exclusively in Europe and Germany. CANOBO products meet all regulatory requirements in Germany and undergo a testing and release process to guarantee the best quality.
- **Accelerates sales growth:** The acquisition provides immediate sales growth as CannaCare generated unaudited sales of €2,000,000 in 2021 from CBD wellness sales. The maximum sales performance goals for CannaCare Shareholders to earn additional payments are €4,000,000 in FY2022 and €10,000,000 million in FY2023.
- **Strategic national footprint:** CANOBO CBD brand is sold in leading drugstores and supermarkets and is a dominant retail distributor of CBD products with over 4,500 brick and mortar retail sales points with the highest market share in Germany's drugstore channel¹. CANOBO started their product distribution in German pharmacies in 2019, which is still a very relevant, growing distribution channel.
- **National marketing:** CANOBO is marketed through television and retail networks and has launched in collaboration with German TV star Jorge González, a CANOBO branded innovative beauty brand for the German market.
- **Management Continuation:** CannaCare's highly experienced management team with strong sales, marketing and operations experience will continue to lead in the CBD wellness business at CannaCare.
- **Advanced Adult-use Strategy:** Greenrise will gain market share and experience from having operations in all regulated markets for cannabis in Germany.

1. Based on Brightfield Group's European CBD, January 2021 Report, management estimates that CannaCare holds 42% market share in the German drugstore channel.

Commentary

Frank Otto, Co-Founder of CannaCare, commented, "It is well known that I have been an advocate for the benefits of cannabis for many years. It will be the pioneers that will lead when adult-use of cannabis is available to Germans, and I support Greenrise's management to create that market leader."

Hendrik Knopp, Director of Greenrise, commented, "We are very pleased to have closed this acquisition despite strong competition. This is an important transaction for Greenrise at a very important time in the development of the German cannabis industry. The combination of Greenrise and CannaCare accelerates our business as no other transaction could and provides an excellent platform to enter the adult-use market."

Key Transaction Highlights and Benefits

- The purchase price is paid in two parts. The first part was completed when Greenrise acquired 51% of CannaCare for 5,000,000 Common Shares which are subject to an escrow hold period until March 28th, 2024, from CannaCare Shareholders.
- During Q2, 2022, the second part of the purchase price will be paid when Greenrise makes a cash payment of €250,000 to CannaCare Shareholders and exchanges a €648,000 shareholder loan to CannaCare from CannaCare shareholder, Frank Otto, for a convertible debenture convertible into 4,400,000 Units at the same conditions as of the Private Placement. The convertible debenture is unsecured and due on December 31, 2024, and bears interest at 4% per annum. Frank Otto will be appointed to the Board of Directors pending the Canadian Securities Exchange ("CSE") approval.
- In addition, CannaCare Shareholders can earn a maximum of 2,000,000 Common Shares upon attainment of FY2022 sales of €4,000,000 and positive earnings before income and 1,500,000 Common Shares upon attainment of FY2023 sales of €10,000,000 and positive earnings before income as well as an additional cash payment of up to €1,000,000 depending on the achievement of certain EBITDA thresholds in the FY2022.
- Greenrise has the exclusive option to purchase 49% of CannaCare for two years after closing from CannaCare Shareholders for Common Shares.
- CannaCare Shareholders become significant shareholders with an approximately 11% shareholding in Greenrise (not fully diluted).

Private Placement Financing

Greenrise announces it has closed the first tranche of its non-brokered private placement ("Private Placement"), raising gross proceeds of C\$561,000 (€406,426) through the issuance of 2,805,000 Units at a subscription price of C\$0.20 per Unit ("Unit"). Each Unit is comprised of one Greenrise common share ("Common Share") and two share purchase warrants ("Warrant"), exercisable for one Common Share at an exercise price of C\$0.35 at any time up to one year and at C\$0.50 at any time up to two years following the closing date.

Greenrise paid finders' fee of C\$10,500 and issued 52,500 finders' warrants, where each finders' warrant entitles the holder to acquire one additional common share at a price of C\$0.20 per share for a period of six months from the date of issuance.

All securities issued pursuant to the Private Placement will be subject to a statutory hold period of four months plus a day from issuance in accordance with applicable securities laws.

About CannaCare Health GmbH

CannaCare is one of the leading German wholesalers of high-quality cannabidiol (CBD) products based in Hamburg, Germany. CannaCare has an extensive range of twenty CBD products consisting of tinctures, sprays and oils and skincare products made from natural raw materials and safe, clean, non-toxic products manufactured exclusively in Europe and Germany. CANOBO products meet all regulatory requirements in Germany and undergo a testing and release process to guarantee the best quality.

About Greenrise Global Brands

Greenrise is a Canadian publicly traded corporation with its representative office located in Hamburg, Germany and operates in the medical and CBD cannabis markets in Germany.

For more information about Greenrise, please visit www.greenriseglobal.com

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CannaCare Health GmbH (CNW Group/Greenrise Global Brands Inc.)

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