GREENRISE GLOBAL BRANDS INC.
(Formerly AMP Alternative Medical Products Inc.)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2022

(Unaudited – Prepared by Management)

(Expressed in EUROS "€")

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements. The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

GREENRISE GLOBAL BRANDS INC.
(Formerly AMP Alternative Medical Products Inc.)
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 and DECEMBER 31, 2021
(Expressed in Euros)

	Notes	2022	2021
ASSETS			
Current assets			
Cash		€ 16,830	€ 27,448
Accounts receivable and prepaid expenses	4	45,970	23,451
Loan receivable	6	1,092,102	-
Investment in CannaCare	6	1,195,386	-
Inventory	5	41,326	47,786
		2,391,614	98,685
Non-current assets			
Equipment	7	88,290	88,171
Right of use assets	8	52,321	66,081
Total assets		€ 2,532,225	€ 252,937
LIABILITIES AND SHAREHOLDERS' DEFICIENCY			
Current liabilities			
Trade and other payables		€ 510,466	€ 296,406
Loans payable	10	575,771	-
Derivative liability	11	77,968	58,660
Lease liabilities - current	9	28,047	27,634
		1,192,251	382,700
Non-current liabilities			
Lease liabilities	9	17,765	31,995
Loans payable	10	1,990,501	1,841,755
Convertible Debenture	6	608,921	-
Total liabilities		3,809,439	2,256,450
Shareholders' deficiency			
Share capital	11	6,276,226	4,593,312
Share based payment reserve	11	2,630,325	2,563,601
Foreign currency translation reserve		22,787	22,787
Deficit		(10,206,552)	(9,183,213)
Total shareholders' deficiency		(1,277,214)	(2,003,513)
Total liabilities and shareholders' deficiency		€ 2,532,225	€ 252,937

Nature and Continuance of Operations (Note 1)

On behalf of the Board:

/s/ Dr. Stefan Feuerstein Director */s/ Hendrik Knopp* Director

The accompanying notes are an integral part of these consolidated financial statements.

GREENRISE GLOBAL BRANDS INC.
(Formerly AMP Alternative Medical Products Inc.)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS
THREE AND SIX MONTHS ENDED JUNE 30,
(Expressed in Euros)

	Notes		**Six months June 30, 2022**		**Six months June 30, 2021**		**Three months June 30, 2022**		**Three months June 30, 2021**
Revenue									
Sales		€	268,479	€	237,472	€	123,017	€	122,416
Cost of goods sold			(212,440)		(205,192)		(90,389)		(114,960)
Gross profit			56,039		32,281		32,628		7,457
Expenses									
General and administrative expenses	12		871,010		1,058,105		489,606		548,443
Interest, net			88,082		63,932		45,510		32,148
Share based compensation			59,971		41,947		59,971		41,947
Public company expenses			13,429		14,660		4,376		4,254
Total expenses			(1,032,492)		(1,178,643)		(599,463)		(626,791)
Loss before other income (expense)			(976,453)		(1,146,363)		(566,835)		(619,335)
Other income (expense)									
Foreign exchange gain (loss)			(39,477)		22,960		(36,274)		667
Unrealized gain (loss)on derivative liability			(7,409)		-		6,917		-
Loss and Comprehensive loss for the period		€	(1,023,339)	€	(1,123,403)	€	(596,192)	€	(618,668)
Weighted average number of common shares outstanding			40,434,339		29,797,464		44,149,639		30,555,419
Loss per common share, basic and diluted		€	0.02	€	0.04	€	0.01	€	0.02

The accompanying notes are an integral part of these consolidated financial statements.

GREENRISE GLOBAL BRANDS INC.
(Formerly AMP Alternative Medical Products Inc.)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (DEFICIT)
(Expressed in Euros)

	Capital Stock				
	Shares (Note 13)	Amount	Reserves	Deficit	Total Equity
Balance, December 31, 2020	27,160,611	€ 2,157,858	€ 2,413,079	€ (5,543,546)	€ (972,609)
Loss for the period	-	-	-	(1,123,403)	(1,123,403)
Shares issued in private placement	3,386,600	1,102,255	-	-	1,102,255
Shares issued on exercise of warrants	8,400	1,965	-	-	1,965
Share issuance costs	-	(62,425)	-	-	(62,425)
Fair value of stock options and warrants transferred on exercise		880	(880)		-
Fair value of warrants	-	(41,352)	41,352	-	-
Share-based compensation	-	-	41,947	-	41,947
Balance, June 30, 2021	30,555,611	3,159,181	2,495,498	(6,666,949)	(1,012,270)
Loss for the period	-	-	-	(2,516,264)	(2,516,264)
Shares issued in private placement	2,073,428	432,706	-	-	432,706
Shares issued to purchase Greenrise GmbH	4,290,000	1,017,439	-	-	1,017,439
Share issuance costs	-	(21,542)	-	-	(21,542)
Fair value of warrants	-	5,528	(5,528)	-	-
Share-based compensation	-	-	96,418	-	96,418
Balance, December 31, 2021	36,919,039	4,593,312	2,586,388	(9,183,213)	(2,003,513)
Loss for the period	-	-	-	(1,023,339)	(1,023,339)
Shares issued in private placement	5,317,000	775,155	-	-	775,155
Shares issued to acquire CannaCare	5,000,000	945,386	-	-	945,386
Share issuance costs	-	(30,882)	-	-	(30,882)
Fair value of warrants	-	(6,745)	6,745	-	-
Share-based compensation	-	-	59,979	-	59,979
Balance, June 30, 2022	47,236,039	€ 6,276,226	€ 2,653,112	€ (10,206,552)	€ (1,277,214)

The accompanying notes are an integral part of these consolidated financial statements.

GREENRISE GLOBAL BRANDS INC.
(Formerly AMP Alternative Medical Products Inc.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30,
(Expressed in Euros)

	2022	2021
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Loss for the year	€ (1,023,339)	€ (1;123,403)
Items not affecting cash:		
Interest capitalized to loans	-	(585)
Amortization and depreciation	15,314	21,739
Non-cash loan interest	86,501	64,840
Share based compensation	59,971	41,947
Loss on derivative liability	7,409	-
	(854,144)	(995,262)
Changes in non-cash working capital items:		
Accounts receivable and prepaid expenses	(22,520)	90,493
Inventory	6,460	(38,379)
Trade and other payables	233,746	(136,259)
Net cash used in operating activities	(636,458)	(1,079,407)
INVESTING ACTIVITIES		
Acquisition of equipment	(8,553)	(13,802)
Acquisition of CannaCare Health GmbH	(250,000)	
Issuance of investment loans	(1,092,102)	-
Net cash provided by (used in) investing activities	(1,350,655)	(13,802)
FINANCING ACTIVITIES		
Shares issued for cash, net of share issue costs	744,281	1,104,220
Lease payments	(14,723)	(12,058)
Loan payable	1,246,937	262,656
Net cash provided by financing activities	1,976,495	1,292,393
Change in cash for the year	(10,618)	199,184
Cash, beginning of year	27,448	60,446
Cash, end of year	€ 16,830	€ 259,630

The accompanying notes are an integral part of these consolidated financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Nature of Operations

Greenrise Global Brands Inc. (formerly AMP Alternative Medical Products Inc.) ("the Company" or "Greenrise") is incorporated in the Province of British Columbia in Canada, with its registered office located at Suite 1000, 925 West Georgia Street, Vancouver, British Columbia, Canada V6C 3L2.

The Company's common shares trade on the Canadian Securities Exchange ("CSE") under the trading symbol "XCX" and on the Frankfurt Stock Exchange under the trading symbol "C4T."

On November 2, 2021, the Company changed its name to Greenrise Global Brands Inc. from AMP Alternative Medical Products Inc.

The reporting currency of Greenrise's consolidated financial statements is the Euro ("€").

Going Concern

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning that it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at June 30, 2022, the Company had an accumulated deficit of €10,206,552 and a working capital deficit of €604,945. To date, the Company has not generated sufficient revenues to meet its operating and administrative expenses or other obligations. The Company's continuation as a going concern is dependent upon its ability to raise equity capital or borrowings sufficient to meet current and future obligations and ultimately attain profitable operations. These uncertainties may cast significant doubt on the ability of the Company to continue operations as a going concern. Management intends to finance operating costs over the next twelve months with private placements of the Company's common shares and loans from related parties.

Since March 2020, the spread of COVID-19 has impacted many local economies around the globe. In many countries, including Canada, Germany and the rest of Europe, some businesses have been forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services, have triggered significant disruptions to businesses worldwide. At the height of the pandemic, global stock markets experienced great volatility and significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods.

2. BASIS OF PRESENTATION

These consolidated interim financial statements are unaudited and have been prepared in accordance with International Accounting Standards ("IAS") 34, "Interim Financial Reporting ."These consolidated interim financial statements do not include all of the information required for annual financial statements.

These consolidated interim financial statements have been prepared following the same accounting policies and methods of computation as the consolidated financial statements of the Company for the year ended December 31, 2021. The disclosures provided below are incremental to those included with the annual consolidated financial statements and certain disclosures, which are normally required to be included in the notes to the annual consolidated financial statements, have been condensed or omitted. These consolidated interim financial statements should be read in

2. BASIS OF PRESENTATION (cont'd…)

conjunction with the consolidated financial statements and notes thereto in the Company's annual consolidated financial statements for the year ended December 31, 2021.

The consolidated financial statements were authorized for issue by the Board of Directors on August 29, 2022.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

These consolidated financial statements have been prepared on a going concern basis, under the historical cost convention, except for investments in associates and jointly controlled entities that are accounted for using the equity method and certain financial instruments and investments which are measured at fair value.

The Company consolidates subsidiaries over which it has control, where control is the power, directly or indirectly, to govern the financial and operating policies of an entity to obtain benefits from its activities.

These consolidated financial statements include the accounts of the Company and of its wholly-owned investment subsidiaries, AMP Alternative Medical Products GmbH ("AMP") of Germany and AMP Alternative Management Inc. ("AMP Canada") of Canada. The consolidated financial statements also include, for comparative purposes in the prior year, the accounts of its previously wholly-owned subsidiary, Alternative Medical Products Switzerland GmbH ("AMP Swiss") of Switzerland, up until its disposition on June 1, 2020, and its 99% owned subsidiary Alternative Medical Products Malta plc ("AMP Malta") of Malta up until its disposition on December 22, 2020.

Foreign currency translation

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). These financial statements are presented in EUROS.

<u>Change in functional and presentation currencies</u>
Effective October 1, 2020, the Company changed from a Canadian dollar presentation currency to a Euro presentation currency. The functional currency of the Company and AMP Canada also changed from Canadian dollars to the Euro, effective October 1, 2020. The functional currency of AMP has not changed and remains the Euro.

A change in presentation currency is accounted for as a change in accounting policy and is applied retrospectively as if the new presentation currency had always been the presentation currency. Consequently, the comparatives for the year ended December 31, 2020, and as at December 31, 2019, and 2018 have been restated to be presented in Euro using average exchange rates for income and expenses and the closing rate at the statement of financial position date for assets and liabilities. Capital stock and accumulated deficits have been translated using historical rates. The resulting exchange differences have been recognized within equity.

<u>Transactions and balances</u>
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising in the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of comprehensive income (loss) in the period in which they arise.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Exchange differences arising from the translation of non-monetary items are recognized in other comprehensive income in the statement of comprehensive income (loss) to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Use of estimates and assumptions

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, the reported amounts of revenues and expenses during the reporting period and contingent assets and liabilities. Significant estimates include the fair value measurements and assumptions relating to financial instruments, changes in equity-accounted investments, deferred income taxes and the recoverability of receivables and loans receivable.

The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted prospectively in the period in which the estimates are revised. Actual results could significantly differ from those estimates.

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company's financial statements include the assessment of the Company's influence on associates, the Company's ability to continue as a going concern and the determination of functional currency.

Financial instruments

Classification
The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive loss ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as FVTOCI. Financial liabilities are measured at amortized cost unless they are required to be measured at FVTPL or if the Company has opted to measure them at FVTPL.

The following table shows the classification of the Company's financial instruments under IFRS 9:

Financial assets / liabilities	
Cash	Amortized cost
Accounts receivable	Amortized cost
Investments in marketable securities	FVTPL
Loans receivable	FVTPL
Investment loan receivable	FVTPL
Trade and other payables	Amortized cost
Loan payable	Amortized cost

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Measurement

Financial assets and liabilities at amortized cost:
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs and subsequently carried at amortized cost, less any impairment.

Financial assets and liabilities at FVTPL:
Financial assets and liabilities carried at FVTPL are initially recorded at fair value, and transaction costs are expensed in the statements of comprehensive income (loss). Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of comprehensive income (loss) in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive loss.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve-month expected credit losses. The Company shall recognize in the consolidated statements of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets:
The Company derecognizes financial assets only when the contractual rights to the cash flows from the financial assets expire or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of comprehensive loss.

Financial liabilities:
The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of comprehensive loss.

Revenue recognition

The Company follows the requirements of IFRS 15 Revenue from Contracts with Customers ("IFRS 15") as follows:

Sales are recognized when the quantity of products sold and the sales price are fixed, and control of the products has transferred to the Company's customers, being when the products are shipped to the customer. The customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Once products are delivered to the Company's customers, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales order, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied. The revenue from these sales is recognized when the customer purchases the inventory.

The Company follows the requirements of IFRS 15 Revenue from Contracts with Customers ("IFRS 15") as follows:

Sales are recognized when the quantity of product sold and the sales price are fixed, and control of the products has transferred to the Company's customers, being when the products are shipped to the customer. The customer has full

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Revenue recognition (cont'd)

discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Once products are delivered to the Company's customers, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales order, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied. The revenue from these sales is recognized when the customer purchases the inventory. A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Inventory

Inventories are initially recognized at cost and subsequently measured at the lower of cost and net realizable value (the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale) using the "first-in-first-out" method. Cost comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

Equipment

Equipment is carried at cost, less accumulated depreciation and accumulated impairment losses. The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation is provided in a straight line, with capitalized costs being amortized over three years for computers and other equipment and between seven to nine years for operating systems and hardware.

Leases

On January 13, 2016, the IASB published a new standard, IFRS 16 Leases. The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance. Lessor accounting remains largely unchanged, and the distinction between operating and finance leases is retained. The mandatory effective date of the new standard is applicable for annual periods beginning on or after January 1, 2019. The Company adopted IFRS 16 Leases as of January 1, 2019. The Company entered into its first lease in the third quarter of 2020, and as such, there was no requirement to restate prior periods.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise that option. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured as the present value of future lease payments, excluding payments made at the commencement date discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension, or termination option. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(Expressed in EUROS)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

New accounting standards, amendments, and interpretations

The Company did not adopt any new accounting standard changes or amendments in the current year that had a material impact on the Company's financial statements.

4. ACCOUNTS RECEIVABLE AND PREPAID EXPENSES

	June 30, 2022	December 31, 2021
Trade receivable	€ 36,313	€ 23,451
Prepaid expenses	9,657	-
	€ 45,970	€ 23,451

5. INVENTORY

As at June 30, 2022, the Company's inventories consisted of finished goods held at a third party's secure facility in Germany.

6. INVESTMENTS

a) In April 2022, the Company acquired 51% of CannaCare Health GmbH ("CannaCare"). The terms of the transaction are:
   - Total investment in CannaCare of €1,195,386, which is comprised of:
     - 5,000,000 common shares of the Company were issued to the shareholders of CannaCare with a value of €945,286 based on the closing price of the Company's common shares at the date of the transaction. The shares are subject to an escrow hold period until March 2024; and
     - Cash payment of €250,000 was paid to CannaCare shareholders as a refundable deposit prior to closing the acquisition.

   - Loans advanced to CannaCare totaling €1,092,102, comprising of:
     - Conversion of a €608,920.55 loan that CannaCare owes to a shareholder into 4,201,552 convertible debenture units (each a "Debenture Unit") in the Company, under the same conditions as the private placement (see Note 11(a), below); and
     - Loan of €480,000, which is repayable earliest December 31, 2023, and can be increased up to €1 million bearing interest at 4% per annum.

   - Other terms include:
     - CannaCare shareholders can earn up to an additional 2,000,000 common shares of the Company upon attainment of sales of €4,000,000 and positive earnings before income taxes, depreciation, and amortization ("EBITDA") for the year ended December 31, 2022; up to an additional 1,500,000 common shares of the Company upon attainment of sales of €10,000,000 and positive EBITDA for the year ended December 31, 2023;
     - CannaCare shareholders can earn a cash payment up to €1,000,000 depending on the achievement of certain EBITDA thresholds in the year ended December 31, 2022; and
     - The Company has the exclusive option to purchase the remaining 49% of CannaCare for two years after closing from CannaCare shareholders by the issuance of common shares of the Company.

(Expressed in EUROS)

6. INVESTMENTS

b) On November 2, 2021, the Company acquired 100% ownership of Greenrise GmbH ("GRG Germany"), a company in the CBD oil business, by issuing 4,290,000 common shares of the Company with a value of €1,017,439 based on the closing price of the Company's common shares at the date of the transaction, and assumption of debt by the Company of €245,935 that GRG Germany owed to a third party. For accounting purposes, the acquisition is considered to be outside the scope of IFRS *3 Business Combinations* ("IFRS 3") since GRG Germany, prior to the acquisition, did not constitute a business. The transaction is accounted for in accordance with *IFRS 2 Share-based Payment,* whereby the Company issued shares for the net assets of GRG Germany, which was determined to be nil. GRG Germany was sold for €1 to a third party.

The value in excess of the identifiable net assets was expensed in the statement of comprehensive loss on acquisition as the share consideration is considered within the scope of IFRS 2. A loss on acquisition of €1,263,374 was recognized on the acquisition, which is comprised of the fair value of the common shares and debt assumed less any identifiable net assets.

The loss on acquisition is as follows:

Common shares issued (4,290,000 shares at CAD$0.35 (€0.24) per share)	€	1,017,439
Debt assumed		245,935
		1,263,374
Net assets assumed at the acquisition date		-
Loss on acquisition of GRG Germany	€	1,263,374

7. EQUIPMENT

		Operating systems and hardware		Computer and other equipment		Total
Cost						
As at December 31, 2020	€	45,780	€	7,334	€	53,114
Additions during the period		6,372		56,776		63,148
As at December 31, 2021		52,152		64,110		116,262
Additions during the period		1,781		8,553		10,334
As at June 30, 2022	€	53,933	€	72,663	€	126,596
Accumulated depreciation						
As at December 31, 2020	€	5,723	€	1,790	€	7,513
Additions during the period		7,120		13,458		20,578
As at December 31, 2021		12,843		15,248		28,091
Additions during the period		1,810	5	3,784		10,215
As at June 30, 2022	€	14,653	€	19,032	€	38,306
Net book value						
As at December 31, 2021	€	39,309	€	48,862	€	88,171
As at June 30, 2022	**€**	**37,368**	€	**50,922**	€	**88,290**

(Expressed in EUROS)

8. RIGHT OF USE ASSETS

As at June 30, 2022, the right-of-use assets consist of motor vehicles located in Germany, which will terminate between December 2023 and February 2024.

		Motor vehicle
Balance, December 31, 2020	€	17,446
Additions during the period		66,034
Depreciation		(17,399)
Balance at December 31, 2021	€	66,081
Additions during the period		-
Depreciation		(13,760)
Balance at June 30, 2022	€	52,321

9. LEASE LIABILITIES

Lease liabilities are recorded as follows:

		Motor vehicles
Balance, December 31, 2020	€	17,860
Additions during the period		66,034
Payments		(26,782)
Interest		2,517
Balance, December 31, 2021	€	59,629
Additions during the period		-
Payments		(14,723)
Interest		906
Balance, June 30, 2022	**€**	**45,812**
Current	€	28,047
Non-current	€	17,765

The lease liabilities were discounted at an incremental borrowing rate of 3%.

10. LOANS PAYABLE

The Company has two loan facilities:

a) An unsecured revolving credit drawdown facility for €2 million, bearing an interest rate of 10% per annum and maturing on December 31, 2023. As at June 30, 2022, €1,990,501 (December 31, 2021 - €1,841,755) was drawn down against the credit facility.

b) A loan facility for up to €570,000 secured by the accounts receivable and intangible assets as well as the Company's shares in AMP. The loan bears an interest rate of 5% per annum, maturing on December 31, 2022. As at June 30, 2022, €570,000 (December 31, 2021 - €nil) was drawn down against the credit facility.

11. CAPITAL AND OTHER COMPONENTS OF EQUITY

Authorized and issued shares

The authorized share capital of the Company is an unlimited number of Class A Voting Common Shares (the "common shares"). As at June 30, 2022, there were 47,236,039 shares outstanding, with the following common shares having been issued since January 1, 2021:

a) On June 20, 2022, the Company closed a non-brokered private placement of 1,700,000 Units of the Company at CAD$0.20 (€0.15) per share for gross proceeds of CAD$340,000 (€250,000). Each unit is comprised of one common share in the Company and two share purchase warrants ("Warrant"), exercisable for one common share at an exercise price of CAD$0.35 at any time up to one year and at CAD$0.50 at any time up to two years following closing. The Company paid cash finder's fees of CAD$ 23,800 (€17,372) and issued 119,000 finders' warrants which are exercisable at CAD$0.20 each and expire on October 21, 2022;

b) On April 14, 2022, the Company closed a non-brokered private placement of 812,000 units of the Company at CAD$0.20 (€0.15) per share for gross proceeds of CAD$162,400 (€119,105). Each unit is comprised of one common share in the Company and two share purchase warrants exercisable for one common share at an exercise price of CAD$0.35 at any time up to one year and at CAD$0.50 at any time up to two years following closing. The Company paid cash finder's fees of CAD$7,700 (€8,337) and issued 38,500 finders' warrants which are exercisable at CAD$0.20 each and expire on October 14, 2022;

c) On April 5, 2022, the Company closed a non-brokered placement of 2,805,000 units of the Company at a price of CAD$0.20 per unit for proceeds of CAD$561,000. Each unit is comprised of one common share in the Company and two share purchase warrants, exercisable for one common share at an exercise price of CAD$0.35 at any time up to one year and at CAD$0.50 at any time up to two years following the closing date. In connection with the private placement, the Company paid finders' fee of CAD$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 CAD$0.20 per share for a period of six months from the date of issuance. Subscription receipts received in advance of $404,965 relating to this private placement had been received by March 31, 2022;

d) In November 2021, the Company completed a non-brokered placement of 1,263,428 units at a price of CAD$0.35 per unit for proceeds of CAD$442,200 (€307,765). Each unit is comprised of one common share of the Company and one common share purchase warrant (each, a "Warrant"). Each warrant entitles the holder to acquire one share at an exercise price of CAD$0.60 for a period of twelve months from the date of issuance. The Company paid cash finder's fees of CAD$30,956 (€21,542) and issued 88,440 finders' warrants with a fair value of CAD$14,720 (€10,268). The finders' warrants are exercisable at CAD$0.35 each and expire on May 30, 2022;

e) In October 2021, the Company closed a non-brokered private placement of 810,000 common shares of the Company at CAD$0.40 (€0.28) per share for gross proceeds of CAD$324,000 (€224,563);

f) In April 2021, the Company issued 3,500 common shares at a price of CAD$0.35 per share for proceeds of CAD$1,225 (€819) upon the exercise of finders' warrants;

g) In March 2021, the Company issued 4,900 common shares at a price of CAD$0.35 per share for proceeds of CAD$1,715 (€1,146) upon the exercise of finders' warrants;

h) On February 10, 2021, the Company completed a non-brokered placement of 3,386,600 common shares at a price of CAD$0.50 per share for proceeds of CAD$1,693,300 (€1,102,255). The Company paid cash finders' fees of CAD$80,465 (€52,400), other share issue costs of CAD$15,000 (€10,025) and issued 160,930 finders' warrants with a fair value of CAD$39,243 (€25,555). The finders' warrants are exercisable at CAD$0.50 each and expire on August 10, 2021;

(Expressed in EUROS)

11. CAPITAL AND OTHER COMPONENTS OF EQUITY (cont'd)

Authorized and issued shares (cont'd)

i) In November 2021, the Company issued 4,290,000 common shares to acquire GRG Germany (Note 6).

The Option Plan adopted by the Board of directors (the "Board") is a "rolling" stock option plan, pursuant to which the Board may, from time to time, in its discretion, and in accordance with CSE and regulatory requirements, grant to directors, officers, employees and consultants, non-assignable and non-transferable options to purchase common shares of the Company, provided that the number of common shares reserved for issuance will not exceed 10% of the then issued and outstanding common shares of the Company.

The Company uses a fair value method of accounting for all stock-based payments. Under this method, the Company recorded a stock-based compensation expense of €59,971 (2021: €nil) for the six months ended June 30, 2022.

The continuity of incentive stock options issued and outstanding is as follows:

	Stock options	
	Number	**Weighted Average Exercise Price (CAD$)**
Balance, December 31, 2020	2,714,500	0.36
Granted	844,000	0.47
Balance, December 31, 2021	3,558,500	0.39
Granted	870,000	0.18
Cancelled	(3,558,500)	0.39
Balance, June 30, 2022	870,000	$ 0.18

	Options outstanding			Options exercisable	
Exercise price range	**Number of stock options outstanding**	**Weighted average remaining contractual life (years)**	**Weighted-average exercise price (CAD$)**	**Number of stock options exercisable**	**Weighted-average exercise price (CAD$)**
CAD$0.18	870,000	1.84	0.18	870,000	0.18
	870,000	1.84	$ 0.18	870,000	$ 0.18

11. CAPITAL AND OTHER COMPONENTS OF EQUITY (cont'd)

Stock options and warrants (cont'd)

The continuity of warrants issued and outstanding is as follows:

	Warrants		
	Number		Weighted Average Exercise Price (CAD$)
Balance, December 31, 2020	8,400	$	0.35
Granted	1,512,798		0.57
Exercised	(8,400)		0.35
Expired	(160,930)		0.50
Balance, December 31, 2021	1,351,868		0.58
Granted	10,844,000		0.42
Expired	(88,440)		0.35
Balance, June 30, 2022	12,107,428	$	0.25

In February 2021, the Company issued an aggregate of 160,390 non-transferable finders warrants, exercisable at a price of $0.50 per share until August 10, 2021, with a fair value of €25,555 (CAD$39,243). The fair value of these warrants was determined using the Black-Scholes valuation model with the following assumptions: i) expected share price volatility of 170%, ii) risk free interest rate of 0.17%; iii) dividend yield of $nil; and iv) expected life of 0.5 years.

In November 2021, the Company issued an aggregate of 88,440 non-transferable finders warrants, exercisable at a price of $0.35 per share until May 30, 2022, with a fair value of €10,269 (CAD$14,720). The fair value of these warrants was determined using the Black-Scholes valuation model with the following assumptions: i) expected share price volatility of 98%, ii) risk free interest rate of 0.95%; iii) dividend yield of $nil; and iv) expected life of 0.5 years.

In November 2021, the Company issued an aggregate of 1,263,428 non-transferable warrants to the subscribes of the unit private placement, exercisable at a price of $0.60 per share until November 30, 2022, with a fair value of €99,622 (CAD$152,979). The fair value of these warrants was determined using the Black-Scholes valuation model with the following assumptions: i) expected share price volatility of 98%, ii) risk free interest rate of 0.95%; iii) dividend yield of $nil; and iv) expected life of 1 year. Since these warrants are exercisable in Canadian dollars, the warrants are considered a derivative liability, and as such, their fair value is recognized on the Company's Consolidated Statement of Financial Position as a liability.

In April 2022, the Company issued an aggregate of 3,617,000 non-transferable warrants to the subscribes of the unit private placement, exercisable at a price of $0.35 per share until April 2023.

In April 2022, the Company issued an aggregate of 3,617,000 non-transferable warrants to the subscribes of the unit private placement, exercisable at a price of $0.50 per share until April 2024.

In April 2022, the Company issued an aggregate of 91,000 non-transferable warrants to the subscribes of the unit private placement, exercisable at a price of $0.20 per share until October 2022.

In June 2022, the Company issued an aggregate of 1,700,000 non-transferable warrants to the subscribes of the unit private placement, exercisable at a price of $0.35 per share until June 2023.

(Expressed in EUROS)

11. CAPITAL AND OTHER COMPONENTS OF EQUITY (cont'd)

Stock options and warrants (cont'd)

In June 2022, the Company issued an aggregate of 1,700,000 non-transferable warrants to the subscribes of the unit private placement, exercisable at a price of $0.50 per share until June 2024.

In June 2022, the Company issued an aggregate of 119,000 non-transferable warrants to the subscribes of the unit private placement, exercisable at a price of $0.20 per share until December 2022.

12. GENERAL AND ADMINISTRATION EXPENSES

	Six months June 30, 2022	Six months June 30, 2021	Three months June 30, 2022	Three months June 30, 2021
Consulting and executive management fees	€ 261,652	€ 569,796	€ 159,361	€ 232,371
Office and supplies	179,623	192,445	84,923	125,067
Professional fees	165,942	11,955	98,189	6,257
Rent and insurance	25,254	42,969	18,013	24,265
Salaries and benefits	238,539	240,940	129,120	160,483
	€ 871,010	€ 1,058,105	€ 489,606	€ 548,443

13. RELATED PARTY TRANSACTIONS

During the six months ended June 30, 2022, the Company paid or accrued directors and management fees of €60,000 (2021 - €260,785) to directors and executive officers of the Company

Included in accounts payable at June 30, 2022, is €20,000 (December 31, 2021 - €23,536) owing to directors and officers of the Company for management fees and expenses incurred on behalf of the Company.

14. CAPITAL MANAGEMENT

The Company's capital is comprised of shareholders' equity, less reserves, and liabilities. Cash and loans receivable are managed for liquidity and operational requirements in conjunction with budgeted or expected capital needs. The Company's objective when managing capital is to maintain its ability to retain sufficient liquidity to make investments as opportunities arise and to continue to meet ongoing expenditure and operational needs.

The Company manages the capital structure and makes adjustments to its capital management strategies when economic conditions or risk characteristics of its capital change. To maintain or adjust the capital structure, the Company may consider the issuance of shares, acquire, or dispose of assets or adjust the amount of cash held.

Currently, the Company's strategy is to monitor economic conditions and capital markets and allocate operating capital for investment opportunities arising from market conditions.

The Company is not subject to externally imposed capital requirements. The Company's overall capital management strategy remains unchanged from the prior year.

15. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, accounts receivable, loans receivable, accounts payable, derivative liability and loan payable.

Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

a. Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
b. Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
c. Level 3 - Inputs that are not based on observable market data.

Cash deposits have been measured at fair value using Level 1 inputs. The carrying value of receivables, loan receivables, trade payables, and loan payable approximate their fair value. The derivative liability is measured using level 3 inputs. The Company is exposed in varying degrees to financial instrument-related risks. The Board of Directors approves and monitors the risk management processes, inclusive of investment policies, counterparty credit limits and liquidity concerns. The more significant risk exposure and the way in which such exposure is managed is described below.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with major banks in Canada and Germany. As most of the Company's cash is held by two banks, there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies.

Currency risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the Company's functional currency. The Company's reporting currency is the Euro, and major purchases are transacted in the Euro and Canadian dollars. The Company maintains Euro and Canadian dollars in bank accounts in Germany and Canada. The Company is subject to gains and losses from fluctuations in the Canadian dollar against the Euro. The Company held a net monetary asset position of $nil in Canadian dollars as of June 30, 2022, with the effect on profit or loss before tax of a 10% fluctuation to the CAD dollar being €2,923.

The Company's investments are subject to foreign currency risk, which may adversely affect the Company's financial position, results of operations and cash flows. The following table summarizes the geographical distribution of the Company's financial instruments in Euros at December 31, 2021:

	Euro	CAD Dollar	Total
Cash, accounts receivable and prepaid expenses	80%	20%	100%
Trade and other payable	30%	70%	100%
Loan payable	100%	0%	100%

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of its investment in money market funds included in cash is limited as the money market funds may be redeemed at any time without penalty. The Company's loan receivable and long-term loan payable has fixed interest rates and are not affected by changes in interest rates.

15. FINANCIAL INSTRUMENTS (cont'd…)

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure as outlined in Note 15. Liquidity risk is assessed as high.

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