



## MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE COMPANY'S FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

### **Date and Subject of this Discussion and Analysis**

The following is management's discussion and analysis ("MD&A") of Greenrise Global Brands Inc. (the "Company" or "Greenrise") financial condition and results of operations for the nine months ended September 30, 2023, and should be read in conjunction with the unaudited condensed consolidated financial statements and related notes for the same reporting period and the Company's audited financial statements for the year ended December 31, 2022 (the "Year-End").

The financial information contained herein has been prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar figures included are quoted in Euros ("€"), which is the functional currency of the Company or Canadian dollars ("CAD\$"), unless stated otherwise.

### **Cautionary Statement Regarding Forward-Looking Information**

This MD&A and the documents incorporated by reference herein contain forward-looking information (collectively "forward-looking statements") within the meaning of the applicable Canadian securities laws concerning our planned activities for the current financial year. The Company's representatives may also make forward-looking statements orally from time to time.

Statements in this document that are not historical facts, including statements about the Company's beliefs and expectations, recent business and economic trends constitute forward-looking statements. Forward-looking statements include, without limitation, statements regarding the outlook for future operations, forecasts of future revenue and expenditures, market conditions, specifically the Canadian and German stock markets or other business plans. Forward-looking statements include statements regarding the intent, belief, or current expectations of the Company, primarily with respect to the results of operations, financial position or cash flows of the Company.

The statements are based on current plans, estimates, and projections and are subject to change. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, and the Company undertakes no obligation to update publicly any changes in light of new information or future events.

Shareholders and potential investors are cautioned that any such forward-looking statements are not guarantees and involve risks and uncertainties, and that actual results may differ from those in the forward-looking statements as a result of various factors such as general economic and business conditions particularly in North America and Europe, including changes in interest rates, actions by government authorities in Canada, Germany or the European Union, including changes in government regulation, political conditions in Europe and future decisions by the Company's directors or officers in response to changing conditions, the ability to execute prospective business plans and misjudgments in the course of preparing forward-looking statements.

Material factors and assumptions underlying the Company's expectations regarding forward-looking statements include, among others: the ability of the Company to obtain financing on acceptable terms, that the Company will be able to maintain appropriate levels of liquidity in order to make investments when attractive opportunities arise, stability in the global economic environment particularly in Canada and Germany and broadly in regard to North America and the European Union, and Canadian and German interest rates and that interest rates and foreign exchange rates, particularly in regard to the Canadian dollar and Euro, will not vary materially from current levels.

The status of the equity markets in Canada and Germany, in particular, the Canadian Securities Exchange and the Frankfurt Stock Exchange, may affect the financial performance of the Company. In addition, as the Company's cash and assets are held in €'s and to a lesser extent in CAD\$, high annual inflation in Germany, the European Union and Canada may affect the financial performance and condition of the Company. A majority of the Company's assets have an economic interest in Germany. Therefore, the fluctuation between the CAD\$ and the € may affect financial performance. The economic health of the economies of Germany and the European Union may also affect the financial performance of the Company.

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Shareholders and potential investors are advised that these cautionary remarks expressly qualify in their entirety all forward-looking statements attributable to the Company or persons acting on its behalf contained in this MD&A. This forward-looking statement dated November 25, 2021; references CSA Staff Notice 51-330 Guidance regarding the Application of Forward-Looking Information Requirements under National Instrument 51-102 Continuous Disclosure Obligations dated November 20, 2009.

**Going Concern Considerations**

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 September 30, 2023, the Company had an accumulated deficit of €11,018,416 and a working capital deficit of €15,401. To date, the Company has not generated sufficient revenues to meet its operating and administrative expenses or its 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.

**Description of Greenrise**

Greenrise is a Canadian-incorporated holding company. Greenrise's common shares trade on the Frankfurt Stock Exchange under the trading symbol is "C4T" and on the Canadian Securities Exchange ("CSE") under the trading symbol "XCX" and is a securities reporting issuer in the Canadian provinces of British Columbia, Alberta, Ontario, and Quebec.

**Developments during the interim period ending September 30, 2023**

On March 10, 2023, the Company announced the sale of its remaining 31% equity interest in CannaCare Health GmbH ("CannaCare") for €387,500.

The Company's remaining investments are unsecured loans to CannaCare with a face value of €1,139,920 and which were amended during the interim reporting period where the repayment dates were extended to December 31, 2024, and the principal would be discounted by 50% if paid prior to the extended repayment date. The fair value of the loans to CannaCare was €324,630 at September 30, 2023.

**Results of Operations**

Expenses decreased during the nine months ending September 30, 2023, compared to the comparative period due to cost reduction initiatives and reduction of executive compensation.

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The table below highlights the results of operations for the nine and three months ended September 30, 2023, and 2022:

	Nine months September 30, 2023	Nine months September 30, 2022	Three months September 30, 2023	Three months September 30, 2022
<b>Expenses</b>				
General and administrative expenses	€ 229,108	€ 478,196	€ 39,965	€ 145,360
Interest	81,488	122,304	25,777	36,351
Share based compensation	-	59,971	-	-
Public company expenses	9,726	20,103	5,598	6,674
Total expenses	<u>(320,322)</u>	<u>(680,574)</u>	<u>(71,340)</u>	<u>(188,385)</u>
<b>Other income (expense)</b>				
Foreign exchange gain (loss)	(6,505)	(37,242)	(4,618)	2,235
Impairment of loans and investments	-	(557,886)	-	(557,886)
Unrealized gain (loss) on derivative liability	<u>61,290</u>	<u>39,775</u>	<u>5,979</u>	<u>47,184</u>
<b>Net loss from continuing operations</b>	<b>(265,537)</b>	<b>(1,235,927)</b>	<b>(69,979)</b>	<b>(696,852)</b>
<b>Net loss from discontinued operations</b>	<b>-</b>	<b>(534,634)</b>	<b>-</b>	<b>(50,370)</b>
<b>Net and comprehensive loss for the period</b>	<b>€ (265,537)</b>	<b>€ (1,770,561)</b>	<b>€ (69,979)</b>	<b>€ (747,222)</b>

Expenses declined to €320,322 during the interim period ending September 30, 2023, compared to €680,574 in the comparative period. Interest expenses decreased due to the repayment of loans payable during the interim period while public company expenses decreased due to lower corporate activity.

The significant items included in general and administrative expenses for the nine months ended September 30, 2023, and 2022 were:

	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Consulting and executive management fees	€ 61,681	€ 145,640
Office and supplies	25,014	96,116
Professional fees	125,227	204,174
Salaries and benefits	<u>17,186</u>	<u>32,266</u>
	€ 229,108	€ 478,196

**Financial Condition, Liquidity and Capital Resources**

As at September 30, 2023, the Company's total assets were €387,223, compared to €1.2-million in the comparative period and included cash of €62,593 and €324,630 in loan receivables valued at fair value owing from CannaCare.

Total liabilities were €2.9-million at September 30, 2023, compared to €3.5-million at December 31, 2022. During the interim period, the Company reduced its current liabilities by making a €450,000 repayment towards its drawdown loan payable, resulting in an outstanding balance of €178,021 and decreasing trade and other payables. Long-term liabilities included

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€2,135,129 in loan payables and a convertible debenture with a fair value of €424,095 and a face value of €608,920.

As at September 30, 2023, the Company's shareholders' deficiency was €2.6-million (December 31, 2022: €2.3-million).

**Related Party Transactions**

Included in accounts payable at September 30, 2023, is fees €27,643 (2022 - €11,078) owing to directors and officers of the Company.

**Outstanding Share Data**

The authorized share capital of the Company is an unlimited number of Class A Voting Common Shares (the "common shares"). As at September 30, 2023, and as at the date of this report 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 (€251,163). 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\$23,800 (€17,444) and issued 119,000 finders' warrants with a fair value of CAD\$8,587 (€6,319) which are exercisable at CAD\$0.20 each and expired 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 (€119,027). 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 (€5,644) and issued 38,500 finders' warrants with a fair value of CAD\$3,536 (€2,602) which are exercisable at CAD\$0.20 each and expired 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 gross proceeds of CAD\$561,000 (€404,965). 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 (€7,696) and issued 52,500 finders' warrants with a fair value of CAD\$2,117 (€1,558) which are exercisable at CAD\$0.20 each and expired on October 5, 2022;
- d) In March 2022, the Company issued 5,000,000 common shares to acquire CannaCare with a fair market value of €945,386 based on the closing price of the Company's common shares at the date of the transaction (Note 6(b));
- e) 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 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 expired on May 30, 2022;
- f) 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);
- g) 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;
- h) In March 2021, the Company issued 4,900 common shares at a price of CAD\$0.35 per share for proceeds of

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CAD\$1,715 (€1,146) upon the exercise of finders' warrants;

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

The following table sets out the number of outstanding options as at the date of this report:

Exercise price range	Options outstanding			Options exercisable	
	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	0.58	\$ 0.18	870,000	\$ 0.18
	870,000	0.58	\$ 0.18	870,000	\$ 0.18

As of September 30, 2023, the Company had 5,317,000 warrants outstanding.

**Off-Balance Sheet Arrangements**

The Company has no off-balance sheet arrangements that would potentially affect current or future operations or the financial condition of the Company.

**Directors and Officers**

Directors:

Dr. Stefan Feuerstein  
Frank Otto  
Oliver Schindler

Officers:

Tom Kusumoto – Interim Chief Executive Officer and Interim Chief Financial Officer

**Critical Risk Factors**

*Limited Operating History*

The Company is subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, and limitations with respect to personnel, financial, and other resources. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered considering the early stage of operations.

*Negative Cash Flow for the Foreseeable Future*

The Company has no history of earnings or cashflow from operations. To the extent that the Company has negative cash flow in future periods, the Company may need to allocate a portion of its cash reserves to fund such negative cash flow.

*Reliance on Management*

The success of the Company is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management and consultants. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Any loss of the services

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of such individuals could have a material adverse effect on the Company's business, operating results, or financial condition.

*Additional financing needs*

The Company will require equity and/or debt financing to support on-going operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Company when needed or on terms which are acceptable. The Company's inability to raise financing to fund capital expenditures or acquisitions could limit its growth and may have a material adverse effect upon future profitability. If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences, and privileges superior to those of holders of the Company shares. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions.

*Compliance with Laws*

The Company's operations are subject to various laws, regulations, and guidelines. The Company endeavors to comply with all relevant laws, regulations, and guidelines. However, there is a risk that the Company's interpretation of laws, regulations, and guidelines, including, but not limited to cannabis regulations, the regulations thereunder and applicable stock exchange rules and regulations, may differ from each other, and the Company's operations may not be in compliance with such laws, regulations and guidelines. In addition, achievement of the Company's business objectives is contingent, in part, upon compliance with regulatory requirements enacted by governmental authorities and, where necessary, obtaining regulatory approvals.

The impact of regulatory compliance regimes, any delays in obtaining, or failure to obtain regulatory approvals required by the Company may significantly delay or impact the development of the Company's business and operations and could have a material adverse effect on the business, results of operations and financial condition of Company. Any potential noncompliance could cause the business, financial condition, and results of operations of the Company to be adversely affected.

The Company incurs ongoing costs and obligations related to regulatory compliance. Failure to comply with applicable laws and regulations may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed. Amendments to current laws and regulations, or more stringent application of existing laws or regulations, may have a material adverse impact on the Company resulting in increased cost to purchase products. The introduction of new tax laws, regulations or rules, or changes to, or differing interpretations of, or application of, existing tax laws, regulations or rules in any of the countries in which the Company operates could result in an increase in the Company's taxes, or other governmental charges, duties or impositions. No assurance can be given that new tax laws, regulations or rules will not be enacted or that existing tax laws, regulations or rules will not be changed, interpreted, or applied in a manner which could result in the Company's profits being subject to additional taxation or which could otherwise have a material adverse effect on the Company.

*Regulation of the Cannabis Industry*

The Company's cannabis-related investments are heavily regulated in all jurisdictions where it carries on business. The Company's operations are subject to various laws, regulations and guidelines by governmental authorities, particularly The Federal Opium Agency of Germany's Federal Institute for Drugs and Medical Devices (the "BfArM"), relating to the marketing, management, transportation, storage, sale, pricing and disposal of medical cannabis and cannabis oil, and also including laws and regulations relating to health and safety, insurance coverage, the conduct of operations and the protection of the environment. Laws and regulations, applied generally, grant government agencies and self-regulatory bodies broad administrative discretion over the activities of the Company, including the power to limit or restrict business activities as well as impose additional disclosure requirements on the Company's products and services. Achievement of the Company's business objectives are contingent, in part, upon compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary, for the production and sale of its products. The Company cannot predict the time required to secure all appropriate regulatory approvals for its products or the extent of documentation that may be required by governmental authorities. Any delays in obtaining or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the business, results of operations and financial condition of the Company.

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Failure to comply with the laws and regulations applicable to its operations may lead to possible sanctions, including the revocation or imposition of additional conditions on licenses to operate the Company's business, the suspension or expulsion from a particular market or jurisdiction or of its key personnel, and the imposition of fines and censures. To the extent that there are changes to the existing laws and regulations or the enactment of future laws and regulations that affect the sale or offering of the Company's products or services in any way, this could have a material adverse effect on the business, results of operations and financial condition of the Company.

*Changes in Laws, Regulations and Other Guidelines*

The Company's operations are subject to a variety of laws, regulations, and guidelines relating to the marketing, acquisition, management, distribution (including import), transportation, storage, sale, and disposal of medical cannabis products. While the Company is currently in compliance with all such laws, regulations and guidelines, any rulings to the contrary or any changes to such laws and regulations that are beyond the control of the Company could have a material adverse effect on the business, results of operations, financial condition, and prospects of the Company.

*Conflicts of Interest*

Certain of the directors and officers of the Company are, or may become directors and officers of other companies, and conflicts of interest may arise between their duties as officers and directors of the Company and as officers and directors of such other companies.

*Litigation*

The Company may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Company becomes involved be determined against the Company such a decision could adversely affect the Company's ability to continue. Even if the Company is involved in litigation and wins, litigation can redirect significant Company's resources.

*Uninsurable Risks*

The business of the Company may not be insurable, or the insurance may not be purchased due to high cost. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the Company.

*Economic Environment*

The Company's operations could be affected by the economic context should the unemployment level, interest rates, or inflation reach levels that influence consumer trends and consequently impact the Company's future sales and profitability.

*Global Economy Risk*

The ongoing economic slowdown and downturn of global capital markets have generally made the raising of capital by equity or debt financing more difficult. Access to financing has been negatively impacted by the ongoing global economic risks. As such, the Company is subject to liquidity risks in meeting our development and future operating cost requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the Company's ability to raise equity or obtain loans and other credit facilities in the future and on terms favourable to the Company. If uncertain market conditions persist, the Company's ability to raise capital could be jeopardized, which could have an adverse impact on the Company's operations.

*Going-Concern Risk*

The financial statements have been prepared on a going concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The Company's future operations are dependent upon the identification and successful completion of equity or debt financing and the achievement of profitable operations at an indeterminate time in the future. There can be no assurances that the Company will be successful in completing an equity or debt financing or in achieving profitability.

The financial statements do not give effect to any adjustments relating to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern.

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*Financial Risk Exposures*

The Company may have financial risk exposure to varying degrees relating to the currency of each of the countries where it operates.

*Attracting and keeping senior management and key personnel and consultants*

The success of the Company depends on the continued ability to attract, retain, and motivate highly qualified management, clinical, and scientific personnel, and industry consultants.

**Other MD&A Requirements**

As specified by National Instrument 51-102, the Company advises readers of this MD&A that important additional information about the Company is available on the SEDAR website [www.sedarplus.ca](http://www.sedarplus.ca).

The Company's Interim Chief Executive Officer (CEO) and Interim Chief Financial Officer (CFO) is responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company.

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