



GREENFERN INDUSTRIES LIMITED

(Listed on the NZX: GFI)

Level 8, 115 Queen Street, Auckland, 1140, New Zealand

Ph: +64 (27) 420-2476

Greenfern announces Cannvalate Transaction

The Chairman of Greenfern Industries Limited, Mr. Brent King advised the market as follows:

“After the market closed on Friday 7th of January Greenfern reached agreement with Australian based Cannvalate Pty Ltd to assist Greenfern to develop its cannabis medicine sales in Australia which are marketed under the GFI Pharma brand. The transaction includes the issuance of shares in Greenfern to a value of NZD \$900,000 being the issuance of 3,333,333 at 27cps. Both parties will now move to finalise an agreement, which is compliant with Australian and New Zealand law and NZX listing rules.

Cannvalate have agreed to continue to range GFI Pharma branded medications and under the terms of the agreement, they will be educating physicians with the intention of securing exposure to 6000 patients. Furthermore, GFI will have access to deidentified patient data which will inform our R&D initiatives so we can develop and refine indication specific medications based on real world patient experiences.

Mr. King said “this is a fantastic opportunity for Greenfern to strengthen its business in Australia. When we listed on the 21st of October 2021, we did not expect to have the opportunity available to us. We have been working closely with the Directors of Cannvalate Dr. Sud Agrawal and Mr. Darryl Davies (Darryl is a Director of both Cannvalate and Greenfern). We see that this relationship can bear significant advantage for both parties and we are hoping to develop it further over time. The New Zealand industry is behind the Australian industry, but it is moving forward quickly. Learning from the Australian experience will fast track the development of Greenfern. This is a fantastic start to the new year.”

The Managing Director of Greenfern Mr. Dan Casey said “This is an excellent opportunity for us. These types of deals are hard to find. Both pre and post listing we have been approached from a number of interested parties who are attracted by Greenfern’s business base and who are seeking to become involved with us. Most of the businesses have some value for us but generally they are early stage and building them will require an investment of both time and capital. This investment stood out because of the immediate cash flow and the quality of the counter party (Cannvalate). We are selling product under the GFI Pharma brand every week currently; our

challenge is to how could we increase the volume. This transaction assists in this significantly.”

We are also working on developing more medications (new SKU’s). This will increase our product lines and it will appeal to a wider range of patients. The relationship with Cannvalate dramatically accelerates our plans and we would not have been able to get to this stage for at last 18 months if we were to attempt this rapid growth independently.

Mr. Casey said “with our experience of selling the product in Australia it will allow us to work through the process of getting the medicines approved in New Zealand. The medical data is being accumulated every day and we are considering the next stage. When we have made the decision on whether to go through the New Zealand approval process, we will advise the market”.

Mr. Casey said” on a personal basis the senior management, Head of Growth, Mr. John Hussey and I, have been very surprised how well the listing has gone. Share prices will go up and down and we understand that over time they will reflect the performance of the company so the only thing we can focus on is making the company more valuable. We will continue the work on the Power Station and the Cannabis cultivation facility in Normanby as we have set out previously. This year’s hemp has been planted and it is growing well in Normanby.

All shareholders should understand that we are continuing to work on all our businesses however, the opportunity to accelerate our Australian sales is an opportunity that was too good to pass up.

We are an entrepreneurial company, and we will continue to assess opportunities and invest when the projects meet our projected risk/return thresholds.

“It is an exciting time to be in the Cannabis sector in New Zealand, Australia and beyond,” said Mr. Casey. “We expect to see significant developments in the sector on both sides of the Tasman this year.”

ENDS

About Greenfern

Greenfern Industries is a therapeutics company based in Taranaki, New Zealand - sitting alongside, and powered by, a small hydro power station with views to the stunning Mount Taranaki. They produce therapeutic and wellness products that improve the lives of people suffering, those people that also seek an alternative and more holistic approach to health. They operate on a non-negotiable pillar of environmental sustainability and are a certified carbon zero organisation under the ISO 14064 standard. Their state-of-the-art facility is being built in the middle of dairy, oil, and gas country - allowing them to

showcase a clean and environmentally friendly, alternative-industry option for both the Taranaki region and New Zealand.

About Cannvalate

Cannvalate was established in early 2018 and was founded and funded by the medical community. The company is positioned to advance the industry via a range of fully outsourced b2b solutions. Their services include, but are not limited to, Drug Discovery and Contract Clinical Research via their cannabinoid and psychedelic CRO, patient access, medical education and distribution solutions, API sourcing and pharmaceutical GMP CDMO capabilities.

For further information

Contact

Dan Casey

Managing Director

Mobile 0274202476

Email dan@gfi.nz