

November 30, 2021



## **Greenlane Completes Acquisition of DaVinci, Strengthening Portfolio of Higher-Margin Proprietary Owned Brands**

- ***Company's Owned Brands Portfolio Expands to Nine Higher-Margin Ancillary Brands***
- ***Company Reiterates Targets of \$70 Million and \$100 Million for Greenlane Brands Revenue for 2022 and 2023, Respectively, with Expected Gross Margins in Excess of 45%***

**BOCA RATON, FL / ACCESSWIRE / November 30, 2021** /Greenlane Holdings, Inc. ("Greenlane" or "the Company") (NASDAQ:GNLN), a global house of brands and one of the largest sellers of premium cannabis accessories, child-resistant packaging, and specialty vaporization products, today announced it has completed its previously announced acquisition of DaVinci, a leading developer and manufacturer of premium portable vaporizers.

DaVinci is expected to generate approximately \$12 million in sales with gross margins of 60% in 2021. The acquisition is expected to be immediately accretive to Greenlane's revenue and earnings. Total consideration for the acquisition will be up to \$20 million, comprised of both cash and stock, depending on the achievement of certain performance-based earnouts.

"We are thrilled to complete yet another acquisition of a high-margin, fast-growing, and innovative ancillary brand that significantly enhances our proprietary brands portfolio," said Nick Kovacevich, CEO of Greenlane. "DaVinci has been an outstanding partner for us over the years, and we are excited to now have them officially join Greenlane as our proprietary vaporizer brand. Even more exciting is the fact that we acquired the business at less than two times sales on the *high* end, which we believe is a fair multiple for a high-margin business that will be immediately accretive to our top and bottom line. This acquisition is part of our broader strategy to expand our product offerings, market share, revenue, margins, and profitability by scaling our portfolio of proprietary owned brands. Not only do we expect this strategy to help us enhance margins and profitability, but we believe it also expands our strategic defensive moat and positions us for rapid global expansion without any major catalysts, such as federal legalization. This strategy becomes even more attractive when considering that virtually no other company is building a house of brands on the *ancillary* non-plant-touching side. Overall, we are pleased to have completed this acquisition for a leading brand, and even more so, to continue to make incremental progress on our Greenlane Brands revenue targets for 2022 and 2023."

Morrison & Foerster LLP acted as legal counsel to Greenlane. Hyperion Capital Inc. acted as the exclusive financial advisor to DaVinci. Alliance Legal Partners, Inc. and Ballard Spahr LLP acted as legal counsel to DaVinci.

## **About Greenlane Holdings, Inc.**

Greenlane is the premier global platform for the development and distribution of premium cannabis accessories, packaging, vape solutions, and lifestyle products. We operate as a powerful house of brands, third-party brand accelerator, and omni-channel distribution platform, providing unparalleled product quality, customer service, compliance knowledge, and operations and logistics to accelerate our customers' growth.

Founded in 2005, Greenlane serves a diverse and expansive customer base with more than 8,000 retail locations, including licensed cannabis dispensaries, smoke shops, and specialty retailers. As a pioneer in the cannabis space, Greenlane is the partner of choice for many of the industry's leading multi-state operators, licensed producers, and brands, including PAX Labs, Storz & Bickel (Canopy-owned), Cookies, Grenco Science, and CCELL.

We proudly own and operate a diverse brand portfolio including [DaVinci](#) vaporizers, [Pollen Gear™](#), the [K.Haring Glass Collection](#) by Higher Standards, [Marley Natural™](#), and [VIBES™](#) rolling papers. [Higher Standards](#), Greenlane's flagship brand, offers both a high-end product line and immersive retail experience with ground-breaking stores in New York City's Chelsea Market and Malibu, California. Greenlane also owns and operates Vapor.com and VapoShop.com, two industry-leading, direct-to-consumer e-commerce platforms in North America and Europe respectively.

For additional information, please visit: <https://gnln.com/>.

## **Forward-Looking Statements**

Certain matters within this press release are discussed using forward-looking language as specified in the Private Securities Litigation Reform Act of 1995, and, as such, may involve known and unknown risks, uncertainties and other factors that may cause the actual results or performance to differ from those projected in the forward-looking statements. These forward-looking statements include, among others, statements relating: to the current and future performance of the Company's business, including revenue and gross margin; the expected benefits of the acquisition of DaVinci; the total consideration payable for DaVinci; the Company's strategies; the Company's acquisition pipeline; and the impacts of acquisitions and other similar transactions. Actual results or performance may also be impacted by, among other factors: the impact of the ongoing COVID-19 pandemic on the Company's business; growth in demand for the Company's products; growth in the market for cannabis and nicotine; the Company's marketing and commercialization efforts; and the Company's financial outlook and expectations. For a description of factors that may cause the Company's actual results or performance to differ from its forward-looking statements, please review the information under the heading "Risk Factors" included in the Company's most recent Annual Report on Form 10-K for the year ended December 31, 2020 and the Company's other filings with the SEC, which are accessible on the SEC's website at [www.sec.gov](http://www.sec.gov). Undue reliance should not be placed on the forward-looking statements in this press release, which are based on information available to Greenlane on the date hereof. Greenlane undertakes no duty to update this information unless required by law.

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