

Cannara Biotech Inc. Reports Preliminary Results Ahead of Third Quarter 2021

Preliminary results from first commercial quarter in market show successful market launch in Quebec

MONTREAL, June 28, 2021 /CNW Telbec/ - Cannara Biotech Inc. ("**Cannara**" or the "**Company**") (TSXV: LOVE) (OTCQB: LOVFF) (FRA: 8CB), is pleased to announce preliminary unaudited revenue results for the three-month period ended May 31, 2021, marking the retail debut for the Company.



"Our market launch results reaffirm that our brand strategy is working and will deliver long-term value for our shareholders," said Zohar Krivorot, President & Chief Executive Officer of Cannara. "Cannara intimately understands the quality and pricing that today's modern consumer deserves, and we look forward to expanding our market reach with added capacity from the acquisition of our Valleyfield facility."

"We could not be more pleased with our preliminary results which validates our capabilities and foresight in responding to consumer demand," said Nicholas Sosiak, Chief Financial Officer of Cannara. "As a part of our strategy to expand our market reach, our acquisition of the Valleyfield facility was driven by our anticipation of the tremendous growth in revenue over this past quarter."

Preliminary Third Quarter 2021 Highlights

- The Company expects total revenue, net of excise tax, for the third quarter ended May 2021 to be approximately \$7.1 million, representing a \$5.1 million increase compared to the second quarter of 2021.
- Cannabis revenue, net of excise tax, from products destined for retail is expected to be in the range of \$3.2 to \$3.4 million for the quarter.
- Cannabis revenue from wholesale supply agreements is expected to be in the range of \$2.8 to \$2.9 million up from \$1.1 million the previous quarter.
- Lease revenue is expected to be approximately \$0.8 million for the quarter.

Results were driven by strong consumer response to premium-quality cannabis launched at disruptive pricing in March 2021, as well as increased demand for product through our wholesale supply agreements. The Company initially introduced 7 unique SKUs under three flagship brands; Tribal, Nugz, and Orchid CBD. With the [acquisition of its Valleyfield facility](#), output capacity has the potential of reaching 125,000kg per annum. This will allow the Company to introduce additional SKUs and accelerate its genetic rotation mix.

Outlook and Full Q3 2021 Results

Looking ahead, Cannara expects to begin work on its Valleyfield facility to further increase the supply of products to meet current demand in Quebec. The Company recently launched new cannabis genetics, including its well-received Cuban Linx and Do-Si-Dos strains in June 2021, and

intends on releasing additional strains as well as a new line of hash products.

Cannara expects to announce its third quarter financial and operating results in full by July 30, 2021.

Cannara's CFO, Nicholas Sosiak, will be a guest speaker at the [2021 KCSA Cannabis Virtual Investor Conference](#) on June 30 at 11:30 a.m. ET and will be available to answer investor and analysts' questions. To register for the conference, please visit the event's [KCSA's registration page](#).

About Cannara Biotech Inc.

Cannara Biotech Inc. (TSXV: LOVE) (OTCQB: LOVFF) (FRA: 8CB) is a vertically integrated producer of premium-grade cannabis and cannabis-derivative products for the Quebec and Canadian markets. Cannara owns two mega Quebec-based facilities spanning over 1,650,000 sq. ft., providing the Company with 125,000kg of potential annualized cultivation output. Leveraging Quebec's low electricity costs, Cannara's facilities produce craft cultivated premium-grade cannabis products at an affordable price. For more information, please visit [cannara.ca](#).

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6/28/2021 8:35:00 AM