

Cannara Biotech Inc. upsizes CIBC Credit Facility to \$22 Million

Refinancing will decrease the Company's overall debt servicing costs to 4.3%

MONTREAL, Dec. 1, 2021 /CNW/ - Cannara Biotech Inc. ("**Cannara**" or the "**Company**") (TSXV: LOVE) (OTCQB: LOVFF) (FRA: 8CB), a vertically integrated producer of premium-grade cannabis and derivative products with two mega cultivation facilities based in Québec spanning over 1,650,000 sq. ft., today announced the refinancing and upsizing of its current bank credit facility to \$22 million from \$5.4 million with the primary use of additional funds to be allocated to the repayment of existing higher interest debt and capital expenditure at the Valleyfield facility to fund and accelerate new growing capacity. The existing credit agreement with Canadian Imperial Bank of Commerce ("CIBC") has been amended and restated without additional asset security.

"The significant increase in funds and decrease in debt servicing costs from this upsizing reflects our disciplined capital structure and operating strategy," said Nicholas Sosiak, Chief Financial Officer of Cannara. "The additional capital provided by CIBC under the credit facility leverages only our Farnham Facility while providing additional liquidity as we continue to convert our Valleyfield Facility into an indoor cultivation site to ensure increased capacity and consistent product quality at our facilities. As we continue to invest in capital expenditures, our target to maintain positive quarterly Adjusted EBITDA remains unchanged."

Key highlights:

- *Refinanced existing credit facility of \$5.4M with CIBC to \$22M without additional asset security.*
- *The Company's cost of debt decreased from 6.7% to 4.3%.*
- *Funds to be used for Valleyfield capital expenditures to achieve increased market penetration and profitability.*

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 cultivation facilities based in Quebec 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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