

Cannara Biotech Inc. Closes \$50 Million Credit Facility Led by BMO Commercial Banking

MONTREAL, June 1, 2022 /CNW Telbec/ - [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 facilities based in Quebec spanning over 1,650,000 sq. ft., announced today that it has closed on a \$50M credit facility led by BMO Commercial Banking. The credit facility, effective May 31, 2022, includes a three-year term loan for \$45 million with an accordion for up to an additional \$10 million and a \$5 million line of credit. Additional favorable terms attached to the credit facility include a declining interest rate over time as the Company hits certain covenant thresholds and the ability to repay the facility without penalty at any time. Under the terms of this new credit facility, the Company will not make any principal payments for the first six months.

Cannara will use this new credit facility to repay and close all debt associated with its current credit facility and to invest capital into its Valleyfield Facility to redesign and activate new 25,000 square feet growing zones that replicate indoor growing conditions, including growing without utilizing the sun. As of May 31, 2022, the Company has activated and is currently cultivating in 5 of its 24 growing zones.

The credit facility will also be used to support capital investments for additional post-harvest packaging and processing equipment, which will be used to support the growing production capacity at the Valleyfield Facility and to operationalize the production of in-house solvent-based Cannabis 2.0 derivative products.

"We're extremely pleased to announce this new non-dilutive credit facility with our new financial partner, BMO Commercial Banking, and are proud that they chose to back Cannara as an emerging leader in the Canadian cannabis industry," stated Nicholas Sosiak, Chief Financial Officer of Cannara. "This partnership and the financing it provides strengthens our working capital position while providing the Company with necessary fire power to execute on our immediate and mid-term growth strategy, both from a production capacity and market expansion standpoint."

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 Québec and Canadian markets. Cannara owns two mega facilities based in Québec spanning over 1,650,000 sq. ft., providing the Company with 125,000kg of potential annualized cultivation output. Leveraging Québec's low electricity costs, Cannara's facilities produce premium-grade cannabis products at an affordable price. For more information, please visit [cannara.ca](#).

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