



For Immediate Distribution

Cannara Reduces Cost of Debt with Lower Interest Rate and Partial Debenture Repayment; Wins 2025 Brand of the Year

MONTREAL, QUÉBEC – June 18th, 2025 – [Cannara Biotech Inc.](#) (“Cannara”, “the Company”, “us” or “we”) ([TSXV: LOVE](#)) ([OTCQB: LOVFF](#)) ([FRA: 8CB0](#)), a vertically integrated producer of premium-grade cannabis products at disruptive prices with two mega facilities based in Québec spanning over 1,650,000 sq. ft., is proud to announce that in recognition of its continued commitment to product excellence and innovation, Cannara was honored with two awards at the 6th Annual Grow Up Awards Gala held in Toronto on May 28, 2025. The Company’s Tribal brand was named Brand of the Year, and its Nugz Happle product was awarded the Accessory of the Year prize. The Grow Up Awards Gala is a nationally recognized event celebrating outstanding achievement in the Canadian cannabis industry. These accomplishments follow recent steps taken by the Company to reduce its cost of capital, including a partial repayment of its Olymbec convertible debenture and a reduction in the interest rate on its BMO credit facility.

“We are tremendously honored to announce our recognition of Brand of the Year and Accessory of the Year at the 2025 Grow Up Awards. These awards highlight our strong and growing brand presence, our leading genetic strategy, and our focus on delivering premium-quality consumer experiences across our product portfolio.” said Zohar Krivorot, President & CEO of Cannara Biotech. “We’re proud to represent Quebec’s cannabis industry with Tribal, Canada’s leading mass market premium 3.5g cannabis brand.”

“Being awarded Brand of the Year reflects our commitment to delivering premium cannabis at disruptive pricing while building a leading national brand. This recognition comes as we continue to strengthen our financial position through the partial repayment of our Olymbec convertible debenture and a reduced interest rate on our credit facility—demonstrating disciplined execution across both operations and capital management,” said Nicholas Sosiak, CFO of Cannara Biotech.

The Grow Up Conference and Expo is one of Canada’s leading industry events. The annual Grow Up Awards are one of the industry’s highest honors, with winners selected through open voting by industry participants and the public.

Olymbec Convertible Debenture Repayment

The Company announced it has made a \$1 million repayment against the outstanding convertible debenture originally issued on June 21, 2021, as amended on August 31, 2023, January 30, 2024, and February 21, 2025, to Olymbec (the “**Olymbec Convertible Debenture**”). This repayment aligns with Cannara’s disciplined approach to capital management and reflects its commitment to reducing leverage while maintaining financial flexibility.

For a full description of the Olymbec Convertible Debenture, please refer to the Company’s Annual Information Form for the fiscal year ended August 31, 2024. A copy of the Olymbec Convertible Debenture is available under the Company’s profile on SEDAR+ at www.sedarplus.ca.

Reduced Interest Rate on Credit Facility

The Company is pleased to announce a total reduction of 50 basis points in the interest rate spread on its BMO Credit Facility. This reduction was achieved in two stages: an initial 25 basis point decrease secured through an amendment to the credit agreement, followed by an additional 25 basis point reduction triggered by the Company’s successful achievement of certain covenant thresholds as of Q2 2025 (ended February 28, 2025). As a result, Cannara’s overall cost of debt is now below 6%, underscoring its strong financial performance and disciplined approach to capital structure management.

All other original terms and conditions of the BMO credit facility remain in full force and effect. For a full description

of the BMO Restated Credit Facility, please refer to the Company's Annual Information Form for the fiscal year ended August 31, 2024. A copy of the Restated Credit Facility is available under the Company's profile on SEDAR+ at www.sedarplus.ca.

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ABOUT CANNARA

[Cannara Biotech Inc.](#) (TSXV: LOVE) (OTCQB: LOVFF) (FRA: 8CB0), is a vertically integrated producer of affordable premium-grade cannabis and cannabis-derivative products for the Canadian markets. Cannara owns two mega facilities based in Québec spanning over 1,650,000 sq. ft., providing the Company with 100,000 kg 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.

CAUTIONARY STATEMENT REGARDING “FORWARD-LOOKING” INFORMATION

This news release may contain “forward-looking information” within the meaning of Canadian securities legislation (“**forward-looking statements**”). These forward-looking statements are made as of the date of this MD&A and the Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required under applicable securities legislation. All statements other than statements of historical facts included in this document constitute forward-looking information, including but not limited to statements with respect to Cannara’s debt structure, financial flexibility and repayment of the Olymbec Convertible Debenture.

Forward-looking statements relate to future events or future performance and reflect Company management’s expectations or beliefs regarding future events and include, but are not limited to, the Company and its operations, its projections or estimates about its future business operations, its planned expansion activities, anticipated product offerings, the adequacy of its financial resources, the ability to adhere to financial and other covenants under lending agreements, future economic performance, and the Company’s ability to become a leader in the field of cannabis cultivation, production, and sales.

In certain cases, forward-looking statements can be identified by the use of words such as “plans,” “expects” or “does not expect,” “is expected,” “budget,” “scheduled,” “estimates,” “forecasts,” “intends,” “anticipates” or “does not anticipate,” or “believes,” or variations of such words and phrases or statements that certain actions, events or results “may,” “could,” “would,” “might” or “will be taken,” “occur” or “be achieved” or the negative of these terms or comparable terminology. In this document, certain forward-looking statements are identified by words including “may,” “future,” “expected,” “intends” and “estimates.” By their very nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

Forward-looking information is based upon a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from those that are disclosed in, or implied by, such forward-looking information. These risks and uncertainties include, but are not limited to, the risk factors which are discussed in greater detail under “Risk Factors” in the Company’s AIF available on SEDAR+ at www.sedarplus.ca and under the “Investor Area” section of our website at <https://www.cannara.ca/en/investor-area>.

Other risks not presently known to the Company or that the Company believes are not significant could also cause actual results to differ materially from those expressed in its forward-looking statements. Although the forward-looking information contained herein is based upon what we believe are reasonable assumptions, readers are cautioned against placing undue reliance on this information since actual results may vary from the forward-looking information. Certain assumptions were made in preparing the forward-looking information concerning the availability of capital resources, business performance, market conditions, as well as customer demand. Consequently, all of the forward-looking information contained herein is qualified by the foregoing cautionary statements, and there can be no guarantee that the results or developments that we anticipate will be realized or, even if substantially realized, that they will have the expected consequences or effects on our business, financial condition or results of operation. Unless otherwise noted or the context otherwise indicates, the forward-looking information contained herein is provided as of the date hereof, and we do not undertake to update or amend such forward-looking information whether as a result of new information, future events or otherwise, except as may be required by applicable law.