



Cannara Biotech Delivers Highest Revenue and Profitability Since Inception in Fiscal Q3 2025

- **Record Revenue:** Total revenues, net of excise taxes increased to \$27.3 million in Q3 2025, representing a 40% increase over the prior year period.
- **Record Profitability:** Gross profit before fair value adjustments rose to \$12.1 million in Q3 2025, representing a 110% increase over the prior year period. Gross margin before fair value adjustments rose to 44% in Q3 2025, from 29% in the prior year period.
- **Record Adjusted EBITDA and Adjusted EBITDA Margin:** Delivered seventeenth consecutive quarter of positive Adjusted EBITDA, which increased to a record high of \$7.6 million in Q3 2025¹, representing a 174% increase over the prior year period. Delivered Adjusted EBITDA margin rose to 28% in Q3 2025, from 14% in the prior year period.
- **Record Operating and Free Cash Flow:** Delivered \$13.9 million of operating cash flow and \$11.7 million of free cash flow¹ in Q3 2025, representing a 221% and 841% respective increase over the prior year period.
- **Yield Improvement:** Extensive research and development on optimizing cultivation procedures has driven a 26% yield improvement across Cannara's facilities, increasing current annual capacity from 39,500 kg to 50,000 kg — allowing the Company to achieve its Fiscal 2026 cultivation target a full year ahead of schedule without additional capital expenditures.
- **Quebec Vape Launch:** Received 5 accepted SKUs, pending final procedural steps, for the Quebec provincial vape category launch, representing 20% of all accepted in-store SKUs by the SQDC.
- **Reduced Interest Rate:** Lowered interest rate on BMO credit facility by 50 basis points and a further 25 basis points subsequent to quarter-end. Cannara's cost of debt on its credit facility is now below 6%.

All financial results are reported in Canadian dollars, unless otherwise stated.

MONTREAL, QUÉBEC – July 28, 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 affordable prices with two mega facilities based in Québec spanning over 1,650,000 sq. ft., today announced its financial and operating results for the three and nine-month periods ended May 31, 2025.

The full set of interim condensed consolidated financial statements for the three and nine-month periods ended May 31, 2025, and the accompanying Management's Discussion and Analysis can be accessed by visiting the Company's website at [investors.cannara.ca](#), or by accessing the Company's SEDAR+ profile at [www.sedarplus.ca](#).

"Fiscal Q3 2025 represents another record-breaking quarter for Cannara, producing records for revenue, gross profit, gross margin, adjusted EBITDA, adjusted EBITDA margin, operating cash flow, and free cash flow, showcasing the successful execution of our long-term business strategy, as well as our industry leadership," stated Zohar Krivorot, President & Chief Executive Officer of Cannara.

"In addition to our stellar operating results, we have achieved two very significant milestones within our business. First, for the upcoming launch of Québec's high-demand vape category, the acceptance of 5 Cannara SKUs, pending final procedural steps, representing 20% of all accepted in-store SKUs by the province. Second, the optimization of our cultivation procedures which has resulted in a 26% yield

¹ Please refer to the "Non-GAAP Measures and Other Financial Measures" section of this news release for corresponding definitions.

improvement across our facilities, allowing Cannara to achieve our Fiscal 2026 cultivation target a full year ahead of schedule.”

“I would like to sincerely congratulate our commercial and operational teams on their execution, and look forward to delivering on these new opportunities,” concluded Mr. Krivorot.

“Our record-breaking financial performance in Fiscal Q3 2025 highlights the strength of Cannara Biotech’s strategy, and our absolute focus on disciplined cost management and evolving operational competencies while continuing to profitably grow the business,” commented Nicholas Sosiak, Chief Financial Officer of Cannara. “Gross profit before fair value adjustments rose 110% year-over-year to \$12.1 million in Fiscal Q3 2025, driven by expanded production capacity, higher yields from the Company’s phenohunt program, and ongoing improvements to cultivation techniques. Gross profit margins improved ahead of expectations, rising to 44% in Q3 2025 from 29% a year ago, supported by increased yields, cost optimization efforts, and economies of scale.”

“We delivered our seventeenth consecutive quarter of positive Adjusted EBITDA, generating a record-high of \$7.6 million, a 174% increase against the prior year period, underscoring the scalability and profitability of our operations. Operating cash flow surged to a record high of \$13.9 million, up significantly from \$4.3 million in Q3 2024, and we delivered record-high free cash flow of \$11.7 million, up from \$1.2 million in Q3 2024. We also secured a reduction in the interest rate on our BMO credit facility, reducing our cost of debt on our credit facility to below 6%.”

“This industry leading profitability profile reflects our extremely focused leadership, best-in-class production facilities, and many inherent competitive advantages within our operating platform, and will allow us to further strengthen our financial position ahead of our significant, low-cost, high ROI opportunities present within our existing footprint.” concluded Mr. Sosiak.

FISCAL Q3 2025 EARNINGS WEBCAST

Cannara Biotech’s CFO, Nicholas Sosiak, will host an earnings webcast today, **Monday, July 28, 2025, at 11 a.m. ET** consisting of prepared remarks followed by a question-and-answer session.

Participants can find the live webcast [here](#) or on the Cannara Biotech website at <https://www.cannara.ca/investors/company-events/>. For interested individuals unable to join, the event will be archived on the company’s website.

Investors are encouraged to submit questions in advance to investors@cannara.ca. While live questions will be accepted during the session, priority will be given to those submitted by email.

FISCAL Q3 2025 FINANCIAL HIGHLIGHTS

Q3 2025 vs Q3 2024 Comparable Period Highlights

- Gross cannabis revenues before excise taxes increased to \$37.8 million in Q3 2025 from \$26.2 million in Q3 2024, a \$11.6 million or 44%, increase. The increase is attributable to increased market penetration in existing markets, entry into new markets and the addition of new genetics and products in its portfolio increasing overall sales generation;
- Total revenues, net of excise taxes, increased to \$27.3 million in Q3 2025 from \$19.5 million in Q3 2024, a \$7.8 million or 40% increase;
- Gross profit before fair value adjustments rose to \$12.1 million in Q3 2025, up 110% from \$5.7 million in Q3 2024. This strong growth was driven by expanded production capacity following the activation of

the 10th grow zone in Q1 2025 and the 11th and 12th grow zones in Q3 2025. In addition, continuous enhancements to cultivation practices significantly improved operational efficiency and boosted yields, which was also supported by the Company's pheno-hunt program, which identified higher yielding genetics;

- Gross profit percentage before fair value adjustments increased to 44% in Q3 2025 from 29% in Q3 2024, driven by increased production capacity as well as cultivation and post-processing operational improvements and optimization;
- Operating income reached \$6.8 million in Q3 2025, compared to an operating income of \$3.6 million in Q3 2024. The improvement was driven by higher sales, lower production costs, which was partially offset by higher sales and marketing expenses year-over-year;
- Net income before income tax was \$5.8 million in Q3 2025, compared to \$2.0 million in Q3 2024. This marks a positive milestone and underscores the continued success and profitability of the Company;
- Adjusted EBITDA increased by 173%, from \$2.8 million in Q3 2024 to \$7.6 million in Q3 2025²;
- The Company generated operating cash flow of \$13.9 million in Q3 2025, compared to \$4.3 million in Q3 2024;
- Free cash flow for Q3 2025 increased by \$10.5 million, from \$1.2 million in Q3 2024 to \$11.7 million in Q3 2025²;
- Generated earnings per share of \$0.05 in Q3 2025 compared to \$0.02 in Q3 2024.

Q3 2025 YTD vs Q3 2024 YTD Highlights

- Gross cannabis revenues before excise taxes rose to \$109.5 million for the year-to-date period ending Q3 2025, up from \$78.8 million in the same period in 2024, an increase of \$30.7 million or 39%. This growth reflects deeper market penetration across existing provinces, successful entry into new markets, and the expansion of the Company's product portfolio through the launch of new genetics and SKUs that have strengthened sales performance;
- Total revenues, net of excise taxes, increased to \$79 million in Q3 2025 YTD from \$58.7 million in Q3 2024 YTD, a \$20.3 million or 35% increase;
- Gross profit, before fair value adjustments, increased to \$32.7 million in Q3 2025 YTD from \$20.8 million in Q3 2024 YTD, a \$11.8 million or 57% increase. This increase is attributable to increase production capacity combined with the efficiencies generated from the scale of the operations and various improvements in operations from cultivation to post processing;
- Gross profit percentage before fair value adjustments in Q3 2025 YTD was 41% an increase of 6% compared to 35% in Q3 2024 YTD reflecting our capabilities in economies of scale;
- Operating income of \$16.9 million in Q3 2025 YTD compared to an operating income of \$5.0 million in Q3 2024 YTD, due to increase in sales and reduction in production costs offset by increased sales and marketing costs compared to the prior year period;
- Net income before income tax was of \$13.6 million in Q3 2025 YTD compared to net income of \$0.7 million in Q3 2024 YTD;
- Adjusted EBITDA increased by 81 %, from \$11.4 million in Q3 2024 YTD to \$20.7 million in Q3 2025 YTD²;
- The Company generated operating cash flow amounting to \$17.2 million in Q3 2025 YTD compared to \$7.5 million in Q3 2024 YTD;
- Free cash flow for Q3 2025 YTD increased by \$11.8 million, from \$0.5 million in Q3 2024 YTD to \$12.3 million in Q3 2025 YTD²;
- Generated earnings per share of \$0.11 in Q3 2025 YTD compared to earnings per share of \$0.01 in Q3 2024 YTD.

² Please refer to the "Non-GAAP Measures and Other Financial Measures" section of this news release for corresponding definitions.

FISCAL Q3 2025 OPERATIONAL HIGHLIGHTS

Capacity Expansion and Yield Optimization

During the quarter, the Company maintained a strong focus on execution, scaling its operations and supply chain to support continued growth in sales and market share across Canada. As part of its 2025 expansion plan, Cannara advanced the activation of two additional grow rooms at its Valleyfield facility. These rooms came online in May and June 2025, adding 50,000 sq. ft. of additional capacity. In parallel, the Company achieved a major operational milestone by optimizing its cultivation cycle time through its ongoing and extensive research and development efforts. These improvements increased both yield and harvest frequency, enabling Cannara to increase its production capacity from 39,500 kg to 50,000 kg annually reaching its Fiscal 2026 production target one year ahead of schedule, while maintaining a disciplined, margin-focused growth strategy.

While the Valleyfield Facility has only realized half of its full 24-zone capacity, the Company's strategy is to scale production gradually, in line with market demand, rather than pursuing rapid volume growth at the expense of profitability. This disciplined approach, coupled with investments in sales and marketing, positions Cannara to strengthen brand recognition and loyalty across its three flagship brands — Tribal, Nugz, and Orchid CBD — while protecting margins in an increasingly competitive landscape.

Innovating for Market Leadership

By growing successful product lines and strengthening its position within priority categories, Cannara is effectively capturing additional market share and reinforcing its leadership through disciplined category management and targeted innovation. Launch highlights of Cannara's product portfolio for Q3 2025 include:

- Quebec Tribal G Mint Trifecta infused pre-rolls (unique sub 30% THC offering for Quebec as per provincial regulations);
- Nugz Neon Bubble Bath infused pre-rolls;
- Nugz Neon Bubble Bath all-in-one cured resin vape; and
- Nugz Meat Pie dried flower.

For Q4 2025, the Company has secured approval for 11 new product launches: 10 in Ontario and 1 in Quebec. These include two new genetics, Waygu Delight and Porto Leche, and Cannara's first accessory listing with the SQDC, the Häpple glass hash pipe:

- Nugz Waygu 7g dried flower and 7 x 0.5g multipack pre-rolls;
- Tribal Porto Leche 3.5g dried flower and 5 x 0.6g multipack pre-roll;
- Nugz Guava Jam 7 x 0.5g multipack pre-rolls;
- Tribal G Mint Supernova all-in-one live resin vape;
- Tribal Galactic Rntz Supernova all-in-one live resin vape;
- Tribal Triple Burger Supernova all-in-one live resin vape;
- Tribal Bubble Up Trifecta infused pre-rolls;
- Tribal Neon Sunshine Genetic Pro 510 vape battery; and
- Häpple glass hash pipe.

Quebec Vape Category Launch

Following the SQDC's recent announcement to open the vape category in Quebec starting November 2025, in July 2025, Cannara secured approval, pending final procedural steps, to launch 5 live resin and rosin vape cartridges formulated to deliver a full-spectrum experience, without fillers or distillate and while remaining under 30% THC. These products are planned for national retail rollout at SQDC stores and online at SQDC.ca in November 2025 (Q1 2026).

Strengthening Leadership Across Canada

The table below presents the Company's national market share for the most recent completed quarter, along with a comparison to the previous quarter. Cannara's recent performance across various provinces highlights its continued successful performance across all markets demonstrating its ability to capture market share from its competitors.

Q3 2025 vs Q2 2025 Market Share by Province³ Quarter over Quarter

The table below presents the Company's national and provincial market share for the most recent completed quarter, along with a comparison to the previous quarter.

Province	Q3 2025	Q2 2025	Variance
Quebec	12.3%	12.8%	-4.0%
Ontario	2.9%	2.9%	0%
Alberta	2.6%	2.7%	-3.7%
British Columbia	1.7%	1.5%	+13.3%
Saskatchewan	1.5%	1.0%	+50.0%
Manitoba	0.6%	0.6%	0%
Nova Scotia	0.4%	0.5%	-20.0%

Q3 2025 vs Q3 2024 Market Share by Province³ Comparable Period

The table below presents the Company's national and provincial market share for the most recent completed quarter, along with a comparison to the same period of prior year.

Province	Q3 2025	Q3 2024	Variance
Quebec	12.3%	9.7%	+26.8%
Ontario	2.9%	2.9%	0%
Alberta	2.6%	3.1%	-16.1%
British Columbia	1.7%	0.8%	+112.5%
Saskatchewan	1.5%	0.4%	+275%
Manitoba	0.6%	NA	NA
Nova Scotia	0.4%	NA	NA

³ As reported by Hifyre data for the periods of March 2024 to May 2024, December 2024 to February 2025 and March 2025 to May 2025 in all listed provinces excluding Quebec where Weed Crawler was deemed more accurate, and Nova Scotia where NSLC wholesale data was deemed to be more accurate.

SELECTED FINANCIAL HIGHLIGHTS

Selected Financial Highlights	Three-month periods ended		Nine-month periods ended	
	May 31, 2025	May 31, 2024	May 31, 2025	May 31, 2024
Financial Summary				
Net revenue ¹	\$ 27,268,032	\$ 19,475,137	\$ 78,681,871	\$ 58,563,040
Other income	64,853	69,779	307,585	148,373
Total revenues	27,332,885	19,544,916	78,989,456	58,711,413
Gross profit, before fair value adjustments	12,057,743	5,747,047	32,672,116	20,824,040
Gross profit	12,882,763	6,958,256	35,017,236	19,334,110
Operating expenses	6,118,036	3,404,212	18,143,204	14,300,967
Operating income	6,764,727	3,554,044	16,874,032	5,033,143
Net finance expense	972,377	1,530,658	3,318,384	4,349,098
Net income before income taxes	5,792,350	2,023,386	13,555,648	684,045
Net income	4,142,169	2,023,386	9,762,573	684,045
Adjusted EBITDA ²	7,600,525	2,776,397	20,684,044	11,447,529
Percentages of Total revenues				
Gross profit, before fair value adjustments as a percentage of Total revenues ³	44%	29%	41%	35%
Gross profit as a percentage of Total revenues ⁴	47%	36%	44%	33%
Operating income as a percentage of Total revenues ⁵	25%	18%	21%	9%
Net income before income taxes as a percentage of Total revenues ⁶	21%	10%	17%	1%
Net income as a percentage of Total revenues ⁷	15%	10%	12%	1%
Adjusted EBITDA as a percentage of Total revenues ⁸	28%	14%	26%	19%
Earnings per share				
Basic earnings per share	\$ 0.05	\$ 0.02	\$ 0.11	\$ 0.01
Diluted earnings per share	\$ 0.04	\$ 0.02	\$ 0.11	\$ 0.01
	May 31, 2025		August 31, 2024	
Cash	\$ 14,407,569		\$ 6,620,387	
Accounts receivable	14,087,899		13,036,873	
Biological assets	7,403,862		6,649,591	
Inventory	41,588,100		33,423,515	
Working capital ⁹	49,385,349		40,471,844	
Total assets	170,087,355		154,719,973	
Total current liabilities	34,616,948		27,002,000	
Total non-current liabilities	36,877,001		39,766,484	
Net assets	98,593,406		87,951,489	
Free cash flow for the quarter ended ¹⁰	11,695,142		2,693,427	

¹ Net revenue includes revenue from sale of goods, net of excise taxes and lease revenues.

² Adjusted EBITDA is a non-GAAP financial measure.

³ Gross profit before fair value adjustments as a percentage of Total revenues is a supplementary financial ratio. For more details see the Non-GAAP and Other Financial Measures section of this news release.

⁴ Gross profit as a percentage of Total revenues is a supplementary financial ratio. For more details see the Non-GAAP and Other Financial Measures section of this news release.

⁵ Operating income as a percentage of Total revenues is a supplementary financial ratio. For more details see the Non-GAAP and Other Financial Measures section of this news release.

⁶ Net income before income taxes as a percentage of Total revenues is a supplementary financial ratio. For more details see the Non-GAAP and Other Financial Measures section of this news release.

⁷ Net income as a percentage of Total revenues is a supplementary financial ratio. For more details see the Non-GAAP and Other Financial Measures section of this news release.

⁸ Adjusted EBITDA as a percentage of Total revenues is a non-GAAP financial ratio. For more details see the Non-GAAP and Other Financial Measures section of this news release.

⁹ Working capital is a non-GAAP financial measure. For more details see the Non-GAAP and Other Financial Measures section of this news release.

¹⁰ Free cash flow is a non-GAAP financial measure. For more details see the Non-GAAP and Other Financial Measures section of this news release.

NON-GAAP MEASURES AND OTHER FINANCIAL MEASURES

The Company reports its financial results in accordance with International Financial Reporting Standards (“IFRS”). Cannara uses a number of financial measures when assessing its results and measuring overall performance. Some of these financial measures are not calculated in accordance with IFRS. National Instrument 52-112 respecting Non-GAAP and Other Financial Measures Disclosure (“NI 52-112”) prescribes disclosure requirements that apply to the following types of measures used by the Company: (i) non-GAAP financial measures (ii) non-GAAP and other supplementary financial ratios and (iii) total of segments measures. In this news release, the following non-GAAP measures, non-GAAP and other supplementary financial ratios and segment measures are used by the Company: adjusted EBITDA, free cash flow, working capital, segment gross profit before fair value adjustments as a percentage of segment net revenue, segment gross profit as a percentage of segment net revenue, segment operating income as a percentage of segment net revenue, and adjusted EBITDA as a percentage of net revenue. There are no total of segments measures included in this press release. Additional details for these non-GAAP and other financial measures can be found in the section entitled “Non-GAAP and Other Financial Measures” of Cannara’s MD&A for the three and nine-month periods ended May 31, 2025, which is posted on Cannara’s website at www.cannara.ca and filed on SEDAR+ at www.sedarplus.ca. Reconciliations of non-GAAP financial measures and non-GAAP ratios to the most directly comparable IFRS measures are provided below. Management believes that these non-GAAP financial measures and non-GAAP ratios provide useful information to investors regarding the Company’s financial condition and results of operations as they provide key metrics of its performance. These measures are not recognized under IFRS, do not have any standardized meanings prescribed under IFRS and may differ from similar computations as reported by other issuers, and accordingly may not be comparable. These measures should not be viewed as a substitute for the related financial information prepared in accordance with IFRS.

Reconciliation of Adjusted EBITDA

Adjusted EBITDA is a non-GAAP Measure and can be reconciled with net income, the most directly comparable IFRS financial measure, as detailed below.

Adjusted EBITDA as a percentage of total revenues is a non-GAAP financial ratio, determined as adjusted EBITDA divided by total revenues.

Reconciliation of adjusted EBITDA	Three-month periods ended		Nine-month periods ended	
	May 31, 2025	May 31, 2024	May 31, 2025	May 31, 2024
Net income	\$ 4,142,169	\$ 2,023,386	\$ 9,762,573	684,045
Adjustments:				
Changes in fair value of inventory sold	6,511,629	5,137,341	19,285,605	17,161,049
Unrealized gain on changes in fair value of biological assets	(7,336,649)	(6,348,550)	(21,630,725)	(15,671,119)
Amortization, including amortization in cost of good sold	1,194,959	1,785,153	4,240,409	4,134,592
Write-down of inventory to net realizable value	204,596	283,244	1,035,679	1,206,613
Gain on disposal of asset held for sale	-	(2,039,007)	-	(2,039,007)
Loss on disposal of property, plant and equipment and right-of-use asset	(1,509)	-	(300)	5,380
Share-based compensation	262,772	404,172	879,344	1,616,878
Net finance expense	972,377	1,530,658	3,318,384	4,349,098
Income taxes	1,650,181	-	3,793,075	-
Adjusted EBITDA*	\$ 7,600,525	\$ 2,776,397	\$ 20,684,044	\$ 11,447,529
Adjusted EBITDA as a percentage of Total revenues **	28%	14%	26%	19%

*Non-GAAP financial measure

**Non-GAAP financial ratio

NON-GAAP MEASURES, NON-GAAP RATIOS AND SEGMENT MEASURES

Reconciliation of free cash flow

Free cash flow is a non-GAAP measure and can be reconciled with Cash from operating activities, the most directly comparable IFRS financial measure, as detailed below.

Reconciliation of free cash flow	Three-month periods ended		Nine-month periods ended	
	May 31, 2025	May 31, 2024	May 31, 2025	May 31, 2024
Cash from operating activities	\$ 13,901,854	\$ 4,325,380	\$ 17,186,287	\$ 7,496,392
Adjustment:				
Capital expenditures	2,206,713	3,082,853	4,892,715	6,975,869
Free cash flow*	\$ 11,695,141	\$ 1,242,527	\$ 12,293,572	\$ 520,523

*Non-GAAP financial measure

Reconciliation of working capital

Working capital is a non-GAAP Measure and can be reconciled with total current assets and total current liabilities, the most directly comparable IFRS financial measure, as detailed below.

Reconciliation of working capital	As at May 31, 2025	As at August 31, 2024
Total current assets	\$ 84,002,297	\$ 67,473,844
Total current liabilities	34,616,948	27,002,000
Working capital*	\$ 49,385,349	\$ 40,471,844

*Non-GAAP financial measure

PREVIOUSLY DISCLOSED QUARTERLY EVENTS

June 2025 – Brand of the Year Award

On June 18, 2025, the Company announced it had been honoured 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 Häpple 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.

June 2025 – Reduced Interest Rate on BMO Credit Facility

On June 18, 2025, the Company announced it had completed an agreement to amend and restate its existing credit agreement with BMO acting as administrative agent, lead arranger, syndication agent and sole bookrunner (the “**Restated Credit Facility**”) to obtain a total reduction of 50 basis points in the interest rate spread. 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 on its credit facility reduced from over 8% in 2024 to now below 6%, underscoring its strong financial performance and disciplined approach to capital structure management.

Subsequent to quarter-end, the Company achieved a further 25 basis point interest rate reduction after meeting key covenant thresholds as of Q3 2025, resulting in the full additional savings to be realized in reduced interest expense going forward.

In addition, as of March 2025, the Company successfully met key covenant thresholds under its credit agreement with BMO, eliminating the need for the limited recourse guarantee previously provided by a related party. This milestone reduced annual interest expense by \$375,000, strengthening Cannara's capital structure and lowering its cost of debt.

A copy of the Restated Credit Facility has been filed under the Company's profile on SEDAR+ at www.sedarplus.ca.

June 2025 – Olymbec Convertible Debenture Repayment

On June 18, 2025, the Company concurrently announced it had made a \$1 million repayment against the convertible debenture originally issued on June 21, 2021, as amended on August 31, 2023, and January 30, 2024, in the total initial principal amount of \$5.7 million (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.

A copy of the Olymbec Convertible Debenture (as amended and restated) has been filed under the Company's profile on SEDAR+ at www.sedarplus.ca.

CAPITAL TRANSACTIONS AND OTHER EVENTS

Capital Transactions

During Q3 2025, the Company granted 100,000 stock options at an exercise price of \$1.25 and 84,400 stock options at an exercise price of \$1.80 to employees subject to certain vesting and conditions in accordance with the Company's employee share option plan. The Company also granted 22,500 RSUs without performance conditions and exercisable for no consideration, which will vest in 2 years, to a board member.

Subsequent to quarter-end, the Company granted 7,500 stock options at an exercise price of \$1.80 to employees subject to certain vesting and conditions in accordance with the Company's employee share option plan and expiring in 7 years.

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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 press release 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. 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.