

**Source:** Cannara Biotech (Québec) Inc.

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# Cannara Biotech Enhances Financial Flexibility Through Strategic Asset Sale

MONTREAL, Aug. 14, 2025 (GLOBE NEWSWIRE) -- [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 the successful completion of the sale of a non-core building under construction and a related parcel of land located at its Valleyfield site for total proceeds of \$5.5 million.

This transaction represents a meaningful milestone in the Company's ongoing focus on capital discipline and operational efficiency. As part of Cannara's previously announced asset optimization plan, management had committed in January 2024 to divest a parcel of unused land and an adjacent building under construction that was initially intended for lease. As previously disclosed in the Company's interim condensed consolidated financial statements for the three and nine-month periods ended May 31, 2025, the building under construction and the land on which it is being constructed had been actively marketed for sale and were classified as "held for sale" as at May 31, 2025, with a carrying value of \$4,951,165.

As a result of the transaction, the net proceeds of \$5.45 million will be applied toward reducing the principal balance of Cannara's existing term loan, effectively decreasing the Company's long-term debt. There will be no other changes to the terms of the Company's existing credit facilities.

"This transaction reflects our disciplined execution of Cannara's long-term strategy to unlock value from underutilized assets while preserving financial flexibility," said Zohar Krivorot, President and Chief Executive Officer of Cannara. "By streamlining our real estate footprint, we are not only strengthening our balance sheet but also sharpening our focus on scalable, profitable growth within our core cannabis operations."

"Reducing our debt by \$5.45 million further enhances Cannara's capital structure and supports future margin expansion," added Nicholas Sosiak, Chief Financial Officer of Cannara. "This transaction underscores our commitment to strategic asset management and operational efficiency as we continue to drive sustainable profitability."

The sale represents another step forward in Cannara's broader plan to create long-term shareholder value by aligning resources with its core business and growth trajectory.

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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](http://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. 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, statements related to the use of sale proceeds, reduction in debt, and strategic objectives.

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](http://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.

