



For Immediate Distribution

Cannara Announces Proposed Settlement of Convertible Debenture via Share Issuance

MONTREAL, QUÉBEC – October 2, 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., today announced its intention to settle an aggregate of approximately \$6.2 million of indebtedness, consisting of \$4.7 million in principal and approximately \$1.5 million in accrued interest, under its convertible debenture issued to Olymbec Investments Inc. (“**Olymbec**”) and subsequently amended on August 31, 2023, January 30, 2024, and February 21, 2025 (the “**Olymbec Convertible Debenture**”) (the “**Proposed Olymbec Share Issuance**”).

The Olymbec Convertible Debenture was originally issued in the total principal amount of \$5.7 million. As previously disclosed on June 18, 2025, the Company repaid \$1 million, thereby reducing the outstanding principal to \$4.7 million.

The Company proposes to satisfy the outstanding indebtedness through the issuance of 3,462,763 common shares of Cannara (“**Common Shares**”), 851,652 of which represent the repayment of interest owing, at a deemed issuance price of \$1.80 per Common Share, in accordance with the terms of the Olymbec Convertible Debenture.

The Proposed Olymbec Share Issuance is subject to the terms and conditions set forth in the policies of the TSX Venture Exchange (“**TSXV**”) and the completion of the shares for debt transaction, as well as the issuance of the Common Shares, remains subject to the review and approval of the TSXV.

Mr. Derek Stern, a non-independent director of the Company, holds a significant interest in Olymbec and is a control person of the Company. The Common Shares issued to Olymbec will be deemed a “related party transaction” in accordance with TSXV Policy 5.9 and Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). Cannara intends to rely on an available exemption pursuant to MI 61-101 from the minority shareholder approval and valuation requirements for the Proposed Olymbec Share Issuance as neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the transaction, insofar as it involves interested parties, exceeds 25% of Cannara’s market capitalization.

Following completion of the Proposed Olymbec Share Issuance, Olymbec will hold 23,792,920 Common Shares of the Company, and Mr. Derek Stern, a non-independent director of the Company, will personally hold 376,040 Common Shares. Collectively, these direct and indirect holdings will represent 24,168,960 Common Shares, or approximately 25.47% of the Company’s issued and outstanding Common Shares on a post-closing basis.

The Proposed Olymbec Share Issuance has been approved by the directors of the Company who are independent in connection with the Proposed Olymbec Share Issuance.

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.

Grant of Options in Connection with Investor Relations Services

With reference to its press release dated April 28, 2025, the Company provides the following clarification. In connection with the renewal of an investor relations agreement originally disclosed via news release on May 4, 2022, the Company has granted Bristol Capital Ltd. (“**Bristol**”) 40,000 stock options. Each

option is exercisable at a price of \$1.80 per Common Share and will expire thirty-six (36) months from the date of grant. The options were granted on April 25, 2025, and will therefore expire on April 25, 2028. The options were issued as consideration for Bristol's continued provision of investor relations services to the Company. Neither Bristol nor any of its principals or affiliates hold any interest, directly or indirectly, in the Company or its securities, and they act at arm's length to the Company.

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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 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 the Proposed Olymbec Share Issuance.

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.