



For Immediate Distribution

Cannara Achieves #1 Market Share Position in Québec as of December 2025 and Provides Update on Québec Vape Category Launch

MONTREAL, QUÉBEC – January 2, 2026 – [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., is pleased to announce preliminary success in the Québec provincial vape cartridge category launch. Estimated retail sales data indicates multiple leadership positions across the nascent category (for the months November and December 2025), with a 29.7% category share by retail sales value¹.

The success of the vape category launch also advanced Cannara to a #1 market share position by retail sales in Quebec for the month of December 2025, with a 14.7% share of cannabis retail sales in the province, a 100-basis point improvement month over month².

"The vape cartridge category launch in our home province of Québec has been a valuable opportunity to further expand our position as Canada's #1 premium vape producer. With 5 of the 25 total SKUs approved, we successfully positioned our business for the largest product category launch in recent Canadian cannabis history, and I am encouraged at the strong initial consumer demand for our premium vapes." said Zohar Krivorot, President & CEO of Cannara.

"Our highly advanced, vertically-integrated platform enabled the creation of truly premium, best-in-class products for Québec's newly launched vape category. We are pleased to see strong reception to the launch of our first-ever rosin vape cartridge offerings, alongside our already nationally leading premium live resin vapes. We look forward to the continued consumer adoption of the category." said Nicholas Sosiak, Chief Financial Officer of Cannara.

Cancellation and Re-Issuance of Previously Granted Stock Options

The Company also announces that, on December 31, 2025, its board of directors approved the cancellation and re-issuance of certain previously granted stock options to certain officers, directors and employees of the Company (the “**Affected Options**”) in connection with the administration of the Company's equity compensation plans. The grant of the Affected Options was originally announced in news releases issued by the Company on September 1, 2025, and November 24, 2025.

The Company determined that, due to an administrative oversight, the issuance of the Affected Options resulted in the Company exceeding the limits permitted under its stock option plan (the “**Stock Option Plan**”) and restricted share unit compensation plan (the “**RSU Plan**”), each of which is currently a rolling plan permitting the issuance of up to 10% of the Company's issued and outstanding common shares. The Affected Options were cancelled and are to be re-issued on January 2, 2026, with substantially the same terms and conditions, including the same exercise prices, with vesting schedules and expiry dates intended to remain unchanged and to continue as if originally granted.

A total of 544,600 stock options were cancelled and re-issued, including 515,000 stock options held by directors and officers of the Company. Amongst the cancelled and re-issued options held by insiders of the Company, 500,000 have an exercise price of \$1.44 expiring on August 27, 2035, and 15,000 have an exercise price of \$1.80 expiring on November 20, 2032. The cancellation and re-issuance were undertaken solely to address the administrative oversight and did not result in any net increase of stock options outstanding under the Stock Option Plan.

¹ (Weedcrawler data, November 2025 to December 2025, <https://weedcrawler.ca>)

² (Weedcrawler data, December 2025, <https://weedcrawler.ca>)

As disclosed in the Company's management proxy circular dated December 18, 2025 (the "**Circular**"), in connection with a review of the Company's security-based compensation arrangements and certain housekeeping changes undertaken to align the Stock Option Plan with governance practices applicable to senior Canadian stock exchanges, the Company is seeking shareholder approval at its annual general and special meeting to be held on January 29, 2026 to amend and convert the Stock Option Plan and the RSU Plan from rolling plans to fixed security-based compensation plans. The proposed amendments are intended to provide greater administrative clarity and facilitate ongoing compliance with plan limits.

Following implementation of the proposed amendments, the aggregate number of listed shares issuable under both plans will be fixed at 15% of the Company's issued and outstanding listed shares as at the date of shareholder approval. The TSX Venture Exchange has provided conditional approval of the amended Stock Option Plan and amended RSU Plan, subject to shareholder approval. Copies of the amended plans are appended to the Circular.

The Circular and proxy-related materials are available on the Company's website at <https://www.cannara.ca/en/investor-area/> and under the Company's profile on SEDAR+ at www.sedarplus.ca.

Accelerated Vesting of RSUs

In addition, the Company announces that, on December 31, 2025, its board of directors approved the accelerated vesting of 15,000 restricted share units previously granted to the late Jack Kay, a former director and officer of the Company, effective December 31, 2025, to ensure compliance with the terms of the RSU Plan following his passing on November 8, 2025.

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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.](http://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 vape category launch in Quebec.

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.