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Um, joining us today is Nicholas Sosiak. The CFO of Cannara Biotech the prisoner of OTCQB venture market under the ticker all LOVFF. Cannara Biotech is a vertically integrated producer of premium great cannabis and cannabis derivative product hope about Canadian markets.

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Nick thanks so much for joining us today. Absolutely so great to have you back for an update and so let's first talk about your announcement of your 10,000,000 raises with Bmo Commercial banking tell us about that.

Nicholas Sosiak

Thank you, Cecilia pleasure to be here. Absolutely.

Nicholas Sosiak

Absolutely um, so just recently about a week ago we closed an upside to our original um ah term loan and credit facility with ah bmo commercial banking previously. Ah in 22 we closed a financing of ah \$50,000,000 forty of it. Ah, 45 of it being a term loan and 5 of it being a revolving line of credit and just ah, recently we upsized that for another \$10,000,000 and the funds will be used to construct an accretive asset that's on our property. It's non-cannabis asset because it's zoned. Ah, ah. for non-cannabis production ah but we were able to um, build something that we we're going to be able to flip it in the year to come at an accretive value to the company and reinvest it into the business.

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Excellent developments So tell us more about your indoor cannabis cultivation facilities and the premium products you grow.

Nicholas Sosiak

Yeah, we have ah 2 facilities in Quebec right now. Both of them measure about in combination and one point six Million Square feet we have our first facility which is ah about six hundred and twenty-Five Thousand Square Feet ah 70,000 of it is ah zone 4 or phased out for cannabis production and that was our first facility. It's producing about three thousand five hundred kilograms per year has about 11,000 plants in it today. But it's also the hub for. Ah, post harvesting transformation packaging and shipping and receiving our new facility of Valleyfield is a million square feet ah today we have about 90,000 plants in that facility. Um. We are

going to be scaling it up in the next two years up to 240000 plants. Um, and that is really our main asset right now focused on cultivation. Um, and like I said we're probably only about 30% ah, completed or activated of this project and more projects to come more phases to come in this in Valleyfield. So, Valleyfield is truly one of our ah prized assets um and being in Quebec we have the access to the lowest cost of electricity. Um in Canada.

Nicholas Sosiak

Ah, which happens to be the ah one of the largest inputs in cannabis production represents about 15 to 20% of my total cost of production so being having these 2 mega facilities here in Quebec having access to those favorable electricity rates is definitely advantageous for us.

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And how has the regulatory landscape changed in the last couple of years for cannabis specifically North America and has opened you know, either new challenges or new opportunities.

Nicholas Sosiak

So, I mean Canada's I think has done the right approach to legalization of cannabis. Um, they're doing it a slow and steady approach and that's kind of the approach we're taking as a company into slow and steady build focus on the business grow the product grow market share build brand loyalty. Um, and then really capture a significant market share. Um so the regulatory landscape has actually allowed us to permitted us to do that because it's usually a slower rollout. Um, you know they first phased in dried flower than it was vape carts and concentrates. Um, the edibles are still um, they're still heavily regulated. Ah so for us right now and gives us the opportunity to focus and dominate the dried flower and the cannabis 2.0 products concentrates allows us to dominate and focus in those types of products. And then as the regulations ease up. We're able to then um, be in ah in a very good position to attack the new market that opens up with each easement and I do see easement coming every year that passes by I think a big important. Part for us would be ah, concentrates being available in Quebec right now. There's very limited or absolutely no sales of vape carts or any concentrates over 30% to h in Quebec which represents a huge opportunity. So once that is lifted um that opens a whole new door. Ah, for us and in other provinces as well.

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What can investors expect from open in 2023?

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Absolutely and on that note, what are you looking forward to therefore in 2023 and 2024

Nicholas Sosiak

For us. It's really organic growth. Um, like we mentioned before we have a Bmo Capital Ah Bmo commercial banking supporting us financing us financing our projects, so we have a lot of support on that.

Nicholas Sosiak

Um, and we have an asset that is scalable organically um, with you know, minimal amount of further capex. Ah so what excites me is seeing the opportunity that Cannara is currently in. And is currently scaling a cordo recorder increasing market share cordo recorder introducing new skews cordo recorder going into new markets. Um, while the competition is going the opposite direction and in most of those. Um. In most of those categories so they're reducing skew counts are losing self-space. They're losing market share. They're reducing production capacity. Ah so for us that's a good position to be in and every quarter that goes by. We're increasing our operations. We're scaling our operations. Therefore, that translates to better financials. Um, so that's what that's what really excites me and this project for Canada our first focus is a 2-year project so we're going to be working on this till end of Twenty-five beginning of 2026 until we capture you know. Most of Canada's market share and become number one is our goal so really looking forward to that game and.

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Cannara has been trading on our OTCQB venture market for the last I think over 3 years and is also traded on TxV as well as Frankfurt what benefits do you still see from cross trading here in the US.

Duncan Anderson

I believe it's very beneficial because it gives access to um, us residents um to purchase our stock. We're a Canadian stock right now we're focused on Canada of course if you look at them. Canadian cannabis market. It's been it's been hurt there's exhaustion or exhaustion. Ah, but we're still as of today. A \$5000000000 market and growing every month and by 2026 it will be a \$7000000000 market 7.6 so I think that. You know there's a lot of opportunity in Canadian cannabis. It's finding the right players in this current environment who are succeeding um and I think you know cross-trading allows u investors to get exposure to this opportunity and ah work with it.

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Well Nick it's been great to talk with you. Thanks so much for the awesome updates.

Nicholas Sosiak

My pleasure Cecilia you can follow our company at www.canara.ca as well as myself. Ah, Nicholas Sosiak and reachable by email nick at Cannara dot ca or follow me on Instagram Nico dank and I K O D A N K K.

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Canara Biotech trades another symbol LOVFF on our OTCQB Venture Market.

**This is an autogenerated transcript and may contain typos.*