

TSXV: LOVE | OTCQB: LOVFF | FRA: 8CB0

cannara

**PREMIUM-GRADE CANNABIS
AT SCALE**

INVESTOR DECK
Q3 FISCAL 2024 (AS OF MAY 31, 2024)



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CORPORATE OVERVIEW

Vertically-integrated Licensed Producer of premium-grade cannabis and cannabis-derivative products



Canada's 9th
Top LP by sales (3rd in Quebec)



4th largest producer based on facilities
square footage (1.6M sq feet)



3 flagship brands, Tribal, Nugz,
and Orchid CBD

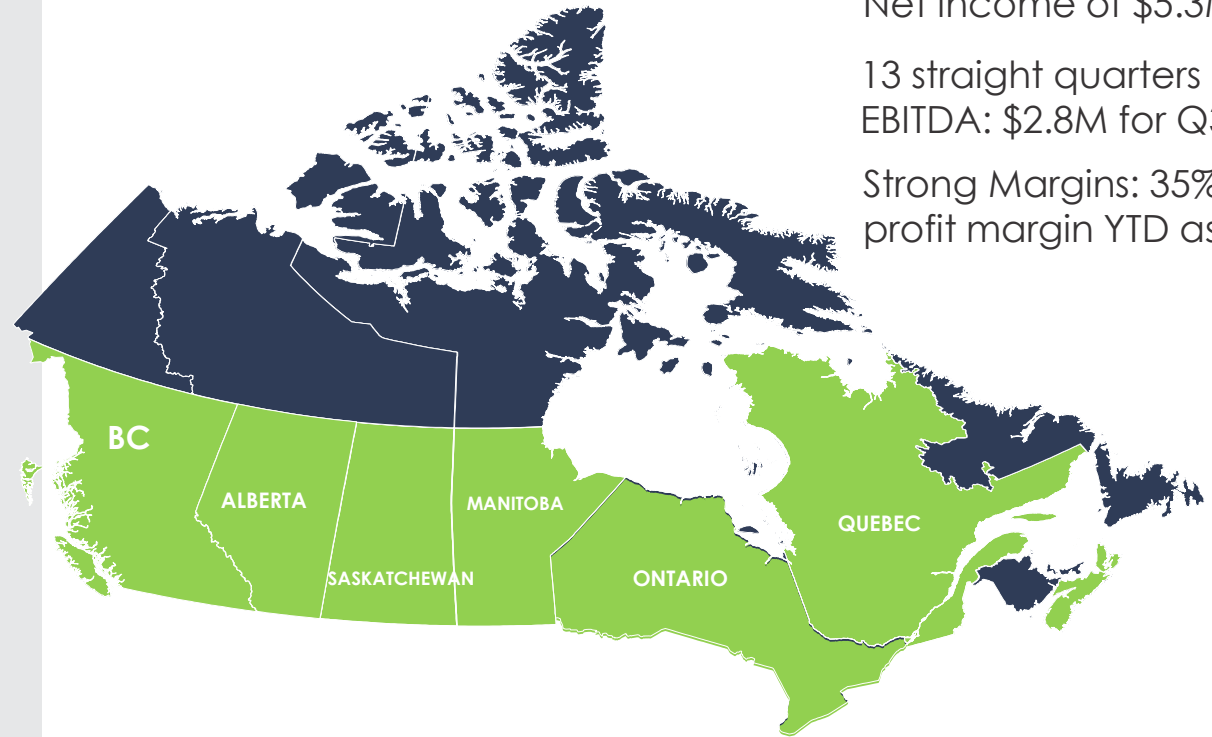


Current annualized production run
rate of 33,500kg (as of May 2024)



Total owned potential production
capacity of up to 100,000kg of
annualized cultivation output

**High quality cannabis at disruptive low retail pricing
Positioned to become the leading Canadian cannabis
brand for consumers**



**July 2024
National Market Share**

3.2%¹

FINANCIALS

TTM revenue of \$77.0M and
Net income of \$5.3M

13 straight quarters of Positive
EBITDA: \$2.8M for Q3 2024

Strong Margins: 35% gross
profit margin YTD as at Q3 2024

**Canadian market expected
to reach \$5.1B by 2029**

¹HiFyre Retail Analytics, Licensed Producer Sales Nationally, for the period of July 2024

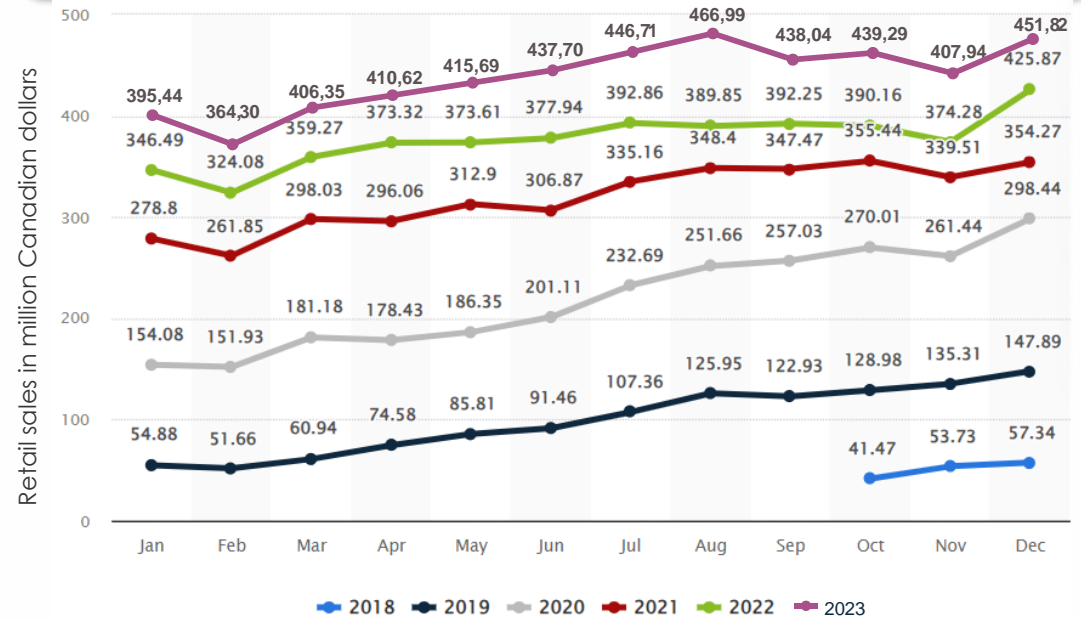
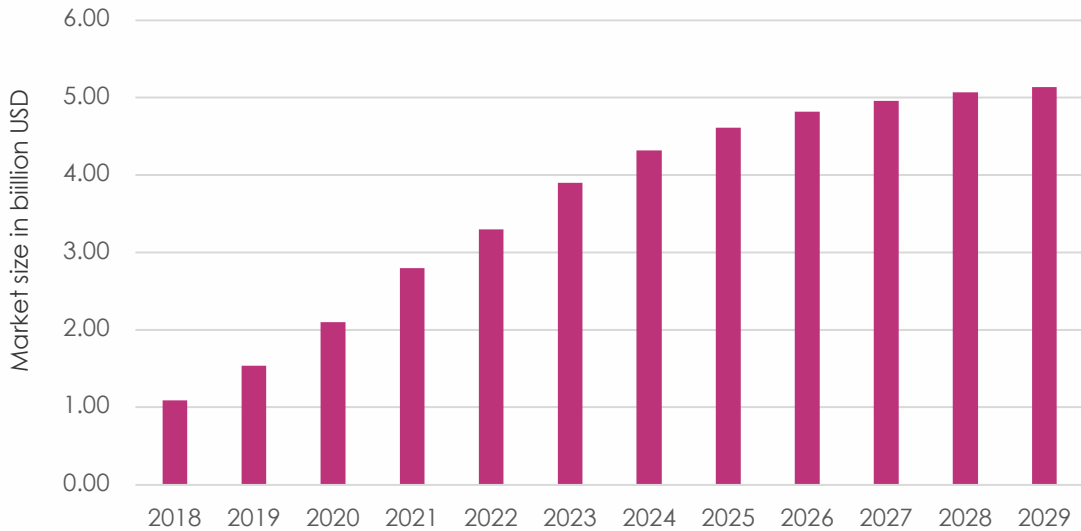
CANADIAN RECREATIONAL CANNABIS MARKET



2ND LARGEST LEGAL CANNABIS MARKET IN THE WORLD

Legal Recreational Cannabis Market expected to reach \$5.1B by 2029

Monthly Retail Sales of Legal Cannabis Stores in Canada from October 2018 to December 2023 (in million Canadian dollars)



- Cannara's market share in Quebec is approx. 9.70%, 2.88% in Ontario, 3.13% in Alberta, 0.82% in BC, 0.40% in Saskatchewan and growing.
- Currently can produce 33,500 kg of premium-grade cannabis per year and growing to a capacity of 100,000 kg per year.
- Expect to capture significantly more market share as capacity scales and as sales strategies are deployed in new and existing markets.

Source: Weedcrawler(<https://Quebec.weedcrawler.ca>) and Headset Database, Statista, Statistics Canada

TWO QUEBEC BASED MEGA FACILITIES

Completely automated facilities equipped with cutting edge technologies

VALLEYFIELD FACILITY



One of the largest indoor cannabis cultivation facilities in Canada

24 independent growing zones, each measuring 25,000 sq. ft.

1,033,506 sq. ft. on 3,000,000 sq. ft. of land.

Provides ability to expand output capacity to 100,000kg

FARNHAM FACILITY



625,000 sq. ft. facility provides 170,000 sq. ft. of cannabis operation.

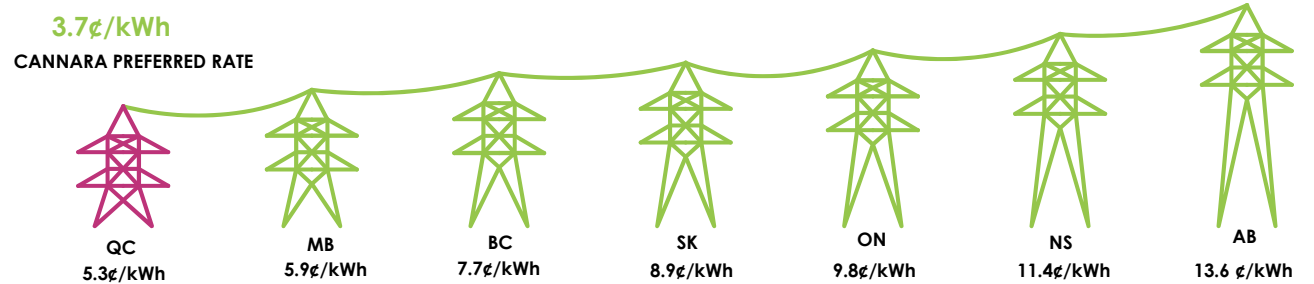
11 grow rooms (22,000 sq. ft.) dedicated to cultivation as well as dedicated packaging and cannabis processing rooms.

Each activated zone has been designed to replicate indoor growing conditions eliminating variability and maximizing quality

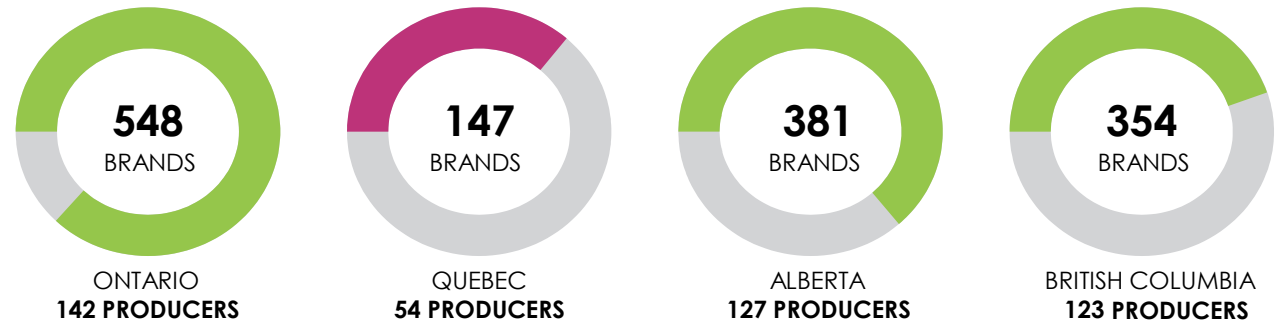


Quebec has the **lowest electricity rates** in Canada (QC: 5.3¢/kWh vs. AB: 13.6¢/kWh).

AVERAGE ELECTRICITY RATES BY PROVINCE IN CENTS PER KW HOUR



Quebec has the **highest barriers of entry** resulting in the **lowest number of Licensed Producers** in the market.



Quebec has the **third largest cannabis retail market** despite being serviced by the fewest number of brands, licensed producers, and retail outlets.

MAR '24 TO MAY '24 (Q3 2024) CANNABIS SALES BY PROVINCE



Source: Weedcrawler (<https://Quebec.weedcrawler.ca>) and Headset Database

Focus on delivering premium quality cannabis at disruptive pricing



Quality, Scalability and Transparency:

- Deliver true to craft like procedures including hang drying and hand trimming cannabis to ensure quality.
- Scalability of its premium-grade cannabis by growing in 25,000 sq ft zones provides optimal control conditions as compared to an open concept greenhouse.
- Transparency across all product labels by providing consumers with harvest dates, terpene percentages, production details and strain phenotypes for each lot.



Price Competitiveness:

- Maintain a value-based pricing approach without compromising quality.
- Significant cost advantages due to Quebec's low cost of electricity, utilities and labor.



Innovation in Products and Genetics:

- Continue to innovate with new product launches.
- Identify unique THC and CBD cultivars to fill whitespaces in the current market.
- Exclusive brand partnership with 50-time award-winning US-based cannabis breeder, cultivator and hash maker, Exotic Genetix.



Community Responsiveness:

- Active strategy to be very responsive with the community of consumers and retailers including launch of recent Discord community.



Thought Leadership and Awards:

Driven by its pursuit for customer satisfaction and a commitment to delivering value.

- Brand of the Year 2023 and 2024 – TRIBAL
- Vape and Concentrate Product of the Year 2024 – TRIBAL Cuban Linx
- Terpene Profile of the Year 2023 - TRIBAL
- CBD Product of the Year 2023 – ORCHID CBD Runtz

Focusing on high cannabinoid content and rich flavourful cannabis.

Our cannabis employs methods used in the most sophisticated markets in the world such as California; cultivated from:



RARE GENETICS

Produce cannabis buds that have a great smell, visual and smoke appeal



HANG DRIED & SLOW CURED

We hang-dry and cure our product to create premium grade cannabis at scale



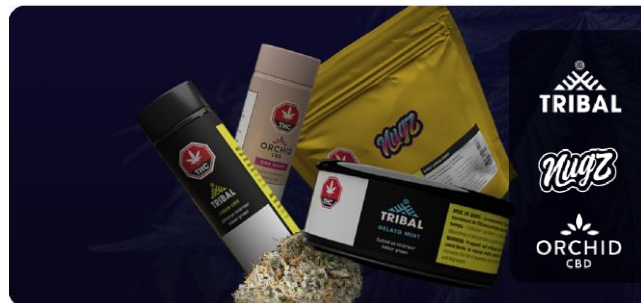
QUALITY

Premium cannabis
Hang dried, slow cured at-scale



ACCESSIBILITY

Disruptive low pricing



BRAND CULTURE

Grassroot brand culture
Transparency
Consumers become ambassadors

PORTFOLIO OF BRANDS

cannara 



Welcome to Tribal, Cannara's house of genetics flagship brand. With a Canadian exclusive partnership with renowned US breeder Exotic Genetix, Tribal calls on consumers to enjoy the journey of new genetics across a variety of products, from dried flower and pre-rolls to full spectrum extracts and live resin vape carts. Premium quality at everyday prices.



Nugz, your legacy dealer gone legal, has two staple flower offerings in addition to rotational offerings from Cannara's grow houses and solventless concentrates. Flavour, potency, and premium quality bulk value are key attributes - when Nugz shows up its high-fives and good times all around!



Orchid CBD is changing the perception of cannabis by being the better choice for consumers looking for premium, CBD-dominant and balanced cannabis products. When it comes to flower and pre-rolls, Orchid CBD offers CBD Runtz, a phenomenally well-rounded strain bred by Exotic Genetix. Our flower is hang-dried, slow cured, hand trimmed, and never irradiated, just like all the flower grown at Cannara.

Delivering a premium-quality product at scale and at lower prices for consumers is at the heart of our strategy



Purposeful growth by focusing on the Canadian legal recreational market that is expected to reach \$5.1B by 2029



Respond to market demand by increasing production capacity and sales to reach up to 100,000kg of annualized cultivation output at currently owned facilities



Maintain leadership position in product quality, accessibility and brand culture – Deliver premium cannabis products at affordable prices



Maintain strong operating margins while ensuring that our pricing strategy is ideal to meet the growing demand from your everyday consumer

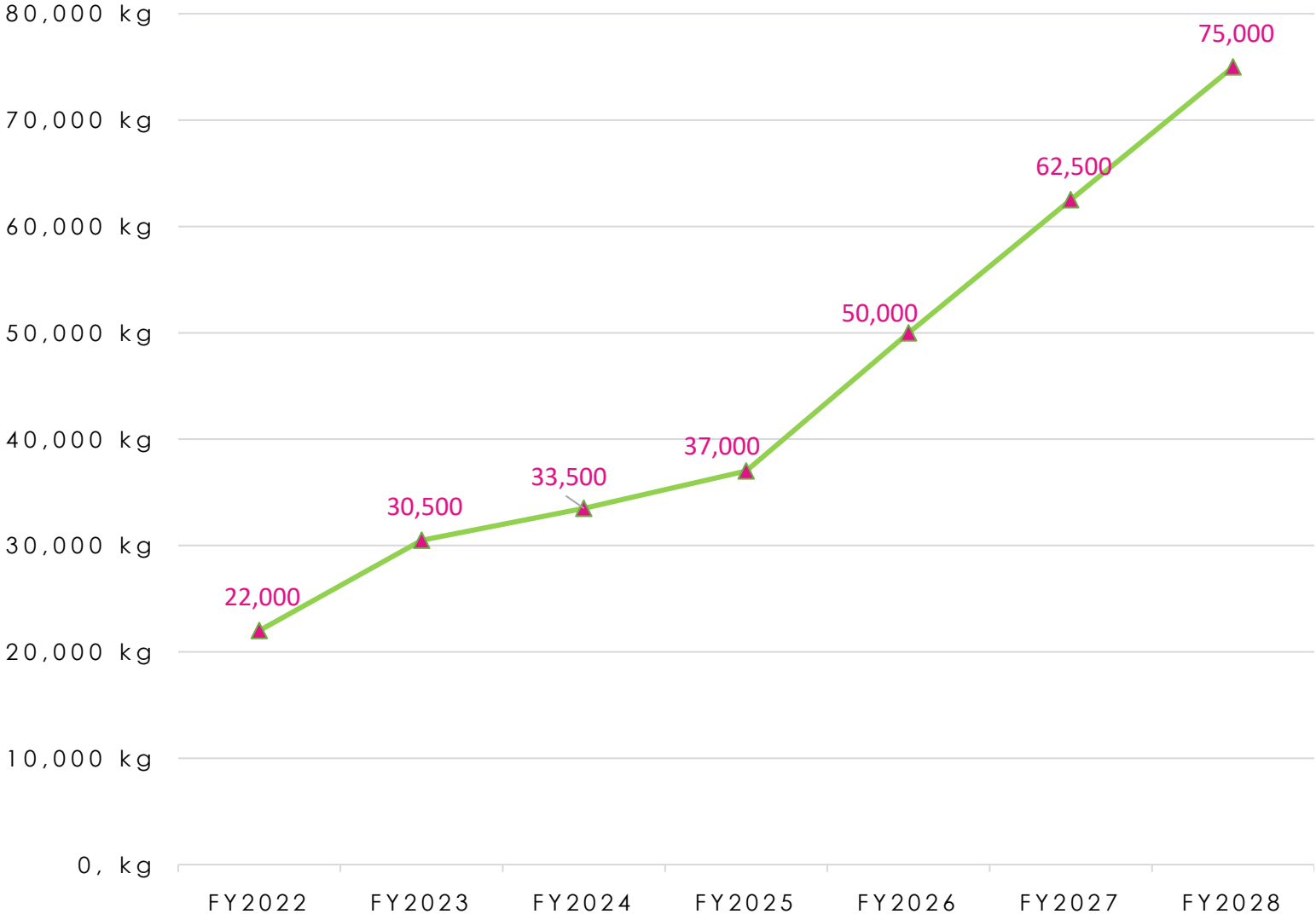


Build a grassroots brand culture through transparency where consumers become our brand ambassadors



Drive ancillary revenues from wholesale, international and medical sales opportunities

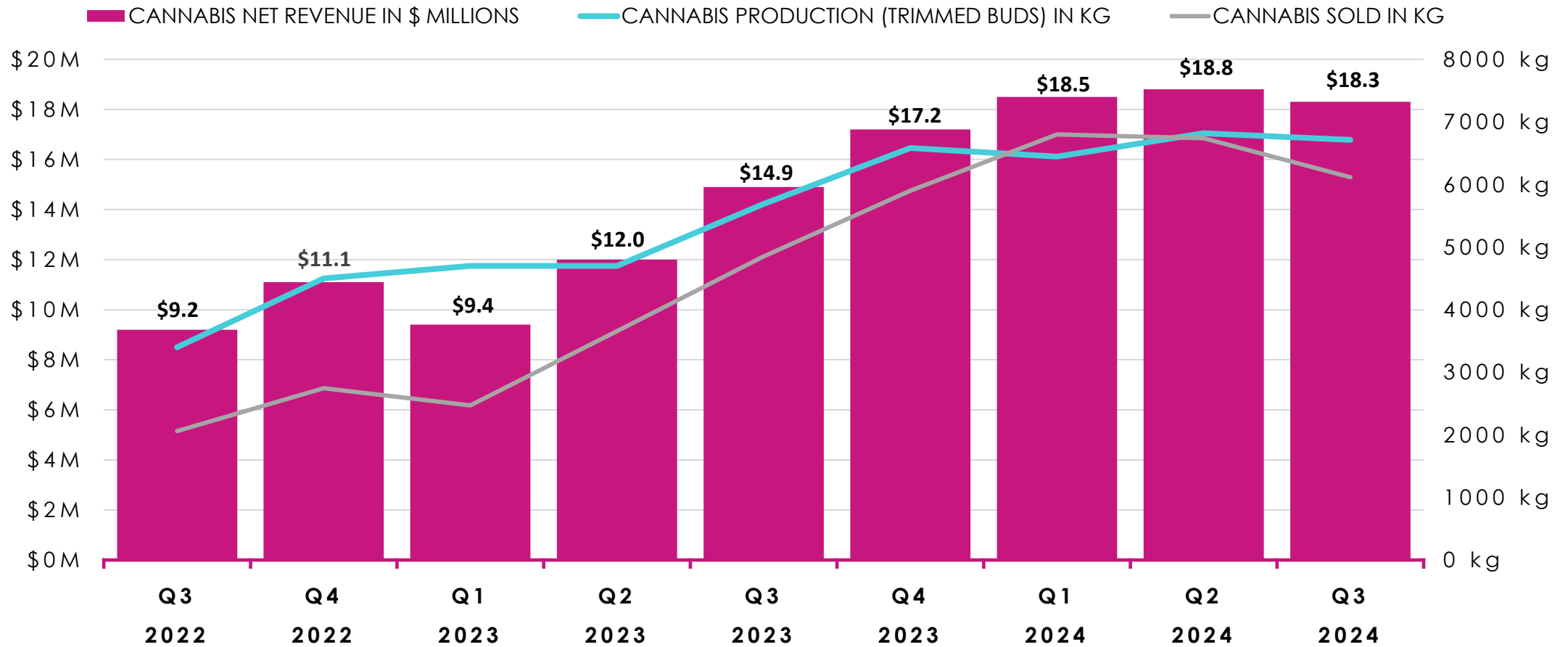
CANNARA'S ESTIMATED ANNUAL PRODUCTION CAPACITY IN KG



SCALING PRODUCTION AND SALES



CANNABIS PRODUCTION & REVENUE GROWTH TRAJECTORY AS VALLEYFIELD PRODUCTION SCALES UP



¹ Cannabis KG and equivalent of cannabis KG for derivatives products

JULY 2024 – Highest National Market Share to-date of 3.2%

RETAIL MARKET SHARE (\$)

Province	JULY	Q3 2024	Q2 2024
QC	11.8%	9.5%	8.8%
ON	2.2%	2.6%	2.9%
AB	1.7%	2.2%	2.0%
BC	1.5%	1.2%	1.0%
SK	1.6%	1.2%	0.5%
MB	1.0%	N/A	N/A
National	3.2%	3.0%	2.9%

Source: HiFyre Retail Analytics, Licensed Producer Sales

Top-performing Products

- #1** Quebec's #1 Infused pre-rolls
- #1** Canada's #1 Live resin vape cart product line (Tribal)
- #1** Canada's #1 Hash rosin product line (Nugz)
- #1** Canada's #1 CBD flower (Orchid CBD)

Source: Headset Cannabis Market Data July 2024, WeedCrawler, July 2024

For three months ended May 31, 2024

Total revenues, net of excise taxes	\$19.5M
Gross profit, before fair value adjustments	\$5.8M
Gross profit percentage	29.4%
Adjusted EBITDA	\$2.8M
Net Income	\$2.0M
Free cash flow	\$1.2M
Cash on Hand	\$5.5M
Working Capital	\$35.2M

Current Capitalization Table

Common Shares Issued and Outstanding	90,018,952
Stock Options Issued and Outstanding	4,549,927
Restricted Share Units Issued and Outstanding	1,504,183

Current insider ownership is

49.4%



Term loan and Credit facility with BMO supporting growth of Canara

SIGNIFICANT GROWTH RATE WITH STRONG MARGINS RELATIVE TO PEERS

	Tilray	Canopy Growth	Aurora	Organigram	Village Farms	Cannara	Auxly	Decibel	Avant Brands	Rubicon
Market Cap in M	2070	1018	428	230	163	55	43	25	19	27
Revenue (LTM) in M	514	330	270	153	402	77	102	109	28	31
Revenue Growth 3 YR %	54	-46	10	86	68	627	116	165	282	327
Gross Margin % last Q	27	21	50	26	20	29	36	48	37	25
EBITDA Margin % last Q	5	-21	3	-3	5	14	9	17	34	-5
Trailing P/E	-	-	-	-	-	12	-	-	-	-
Net Income Margin % last Q	-56	127	-20	-72	-9	10	-103	-16	-45	-21
OCF last Q in M	-21	-22	-21	-9	-0.1	4.3	-2.2	0.9	2.4	-0.9

*Adjusted for inventory write-downs

Based on Data Estimates From Macrotrends, TSX, Yahoo and Quote Media from July 19, 2024

EXECUTIVE LEADERSHIP TEAM



Zohar is an entrepreneur who has launched several successful businesses. He has founded, advised and invested in numerous companies including 911ENABLE™ which he led from start-up to its acquisition by West Telecom in 2014. Zohar has been recognized as a top leader and innovator by a number of sources, including Deloitte Technology Fast 50™ fastest growing technology companies in Canada.

ZOHAR KRIVOROT
CHAIRMAN & CEO



Nicholas is a CPA with an entrepreneurial spirit and passion for the Cannabis industry. As CFO of Cannara. Prior to working in the industry, he practiced auditing at two of the big five accounting firms.

NICOLAS SOSIAK
CFO



Avi has been in the information technology industry for over 20 years. He specializes in innovation and cutting-edge technologies. Prior to Cannara, Avi has patented 911 software solutions currently being used by many Fortune 500 companies such as Microsoft, Boeing, Disney and the US Department of Defense.

AVI KRIVOROT
CTO



ISSAM BEN MOUSSA
VP PRODUCTION
& EXPERIMENTATION



NOEMI FOLLAIN
VP FINANCE



ANTHONY MANOUK
GM & VP COMPLIANCE



BRIAN SHERMAN
VP LEGAL AFFAIRS



FRANCE LANDRY
VP HUMAN RESOURCES



SCOTT CARROLL
VP COMMERCIAL
STRATEGY & MARKETING



JUSTIN CONWAY
VP TRANSFORMATION



NICK VAN DAM
VP SALES

ZOHAR KRIVOROT
CHAIRMAN & CEO



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MARY DUROCHER
DIRECTOR



Mary has been involved in the cannabis industry since the infancy of the Marijuana for Medical Purposes Regulations introduction. Mary serves as President of Fox D Consulting, a regulatory consulting firm focusing on the Canadian cannabis industry and offers a diverse range of consulting services for the cannabis industry in Canada, the United States and the European Union. Mary's Regulatory Consulting Firm has licensed over 52 Licensed Producers and worked on over 200 applications in Canada, the US and the European Union. Mary continues to forge a respectable name for herself in the cannabis sector in Canada and abroad. Her board experience and industry contacts has enabled her to create a comprehensive foundation in the fundamentals of regulatory compliance within the cannabis industry worldwide.

DONALD OLDS
LEAD DIRECTOR & CHAIRMAN
OF THE AUDIT COMMITTEE



Donald Olds is an experienced life sciences executive, entrepreneur and director with significant experience raising capital for private and public technology companies. Most recently, he was President and Chief Executive Officer of Montreal-based NEOMED Institute, a position he held until the successful closing of a merger with Vancouver-based CDRD.

He has held multiple executive positions as Chief Executive Officer, Chief Operations Officer and Chief Financial Officer of private and public life science and technology companies and began his business career as a commercial, corporate and investment banker working across a variety of industry verticals. Mr. Olds has significant corporate governance experience as a board member and chair of both for profit and not for profit organizations.

DEREK STERN
DIRECTOR & CHAIRMAN OF THE
HR AND GOVERNANCE COMMITTEE



Derek is the Vice President of Olymbec. He owns, operates and manages a diverse portfolio of industrial, retail and residential properties across North America. Olymbec is now one of the largest private industrial real estate holders in Eastern Canada.

The Company has experienced an annual growth rate of over 10%. Derek played a key role in the company's rapid growth by strategically acquiring and repositioning vacant properties and marketing them to a new client base.

JACK KAY
DIRECTOR



Jack Kay, for 35 years, held various roles at Apotex Inc., including Chief Executive Officer, Chief Operating officer, President and Vice Chairman. He has 55 years of experience in pharmaceutical management and sales. Mr. Kay has served on a number of pharmaceutical and biotech boards, including as the Chairman of Helix Biopharma Corp and Cangene Corp and as a director at Barr Pharmaceuticals Inc.

He has also served in senior capacities for a number of industry and community organizations, operating in the roles of Chairman of Humber River Regional Hospital (Toronto), International Schizophrenic Society, Canadian Drug Manufacturers Association, Canadian Schizophrenia Foundation and the Canadian Generic Pharmaceutical Association.



Well capitalized, fast-growing business with an established history of execution



Offering customers the highest value products at disruptive low prices



Currently catering to a fraction of the existing consumer product demand in Canada



Strong management team and board of directors



Operating with strong margins and with a focus on positive EBITDA and near term profitability



State of the art Quebec operations create significant pricing advantages and superior quality




Three flagship brands each with distinctive identity and purpose

POSITIONED FOR NATIONAL SUCCESS

TSXV: **LOVE** | OTCQB: **LOVFF** | FRA: **8CB0**

cannara

THANK YOU

www.cannara.ca 

investors.cannara.ca 

www.instagram.com/cannarabiotech 

www.facebook.com/cannarabiotech 

CANNARA HEADQUARTERS

333 Decarie blvd, Suite 200
Saint-Laurent, QC, H4N 3M9

FARNHAM FACILITY

1144 Boulevard Magenta E
Farnham, QC, J2N 1C1

VALLEYFIELD FACILITY

1175 Boulevard Gérard-Cadioux
Salaberry-de-Valleyfield, QC, J6T 6L3

CONTACT US
WE WOULD **LOVE**
TO HEAR FROM YOU

NICHOLAS SOSIAK
CFO
(514) 543 – 4200 x 254
nick@cannara.ca

SCOTT CARROLL
VP, Commercial Strategy
& Marketing
(514) 543 – 4200 x 257
scott@cannara.ca