

12 August 2022
 NZX Limited
 WELLINGTON

Cannasouth to launch a pro-rata renounceable rights issue

Cannasouth Limited (NZX:CBD), New Zealand's first listed medicinal cannabis company, is pleased to announce its intention to launch a 1 for 10 pro-rata renounceable rights issue to raise up to circa \$4.1 million ("Rights Offer").

Details of the Rights Offer are as follows:

Rights Offer size and structure	\$4.1 million pro rata renounceable rights offer to eligible shareholders at a ratio of 1 for 10 (Rights Offer)
Rights Offer price	\$0.30 per New Share (Offer Price)
Rights trading	Eligible shareholders who do not wish to take up all or some of their Rights may sell some or all of their Rights on the NZX Main Board between 19 August and 1 September 2022
Eligibility	Only shareholders with registered addresses in New Zealand or Australia on the Record Date will be entitled to participate in the Rights Offer
Oversubscriptions and Oversubscription Bookbuild Facility	<p>Eligible shareholders who elect to take up all of their Rights in full, will have an opportunity to apply for additional shares, the issue price for which shall be determined through an Oversubscription Bookbuild Facility process to be undertaken by CBD. The final issue price to be paid under the Oversubscription Bookbuild Facility process may ultimately be greater than the issue price of \$0.30 per New Share, but in no event will that issue price for those New Shares be less than \$0.30.</p> <p>Eligible shareholders and other eligible investors may be entitled to participate in the Oversubscription Bookbuild Facility process via those parties invited to participate in the process by CBD.</p>
Ordinary Shares	The New Shares to be issued under the Rights Offer will rank equally in all respects with the Existing Shares on issue in CBD.
Use of proceeds	<p>The funds raised from the Rights Offer will be applied towards the costs associated with:</p> <ul style="list-style-type: none"> • The delivery of flower sales to New Zealand and export markets • Distribution of finished medicinal cannabis products in New Zealand • Expanding plant genetics onboarding and tissue culture propagation capabilities • Further developing CBD's laboratory support function for in-house quality testing

The key dates for the Renounceable Rights Offer are as follows:

Announcement of the Offer	12 August 2022
Rights trading opens	19 August 2022
Record Date for determining Rights	5pm 22 August 2022
Opening Date for the Offer	23 August 2022
Dispatch of Offer Documents and Entitlement and Acceptance Forms	23 August 2022
Rights trading ceases	1 September 2022
Closing Date for the Offer	5pm 7 September 2022
Closing Date for the Oversubscription Bookbuild Facility	9 September 2022
Announcement of results of the Offer and the Oversubscription Bookbuild Facility	12 September 2022
Allotment of New Shares, despatch of holder statements and commencement of trading of New Shares	14 September 2022

The above dates are subject to change at the discretion of CBD, subject to compliance with NZX Listing Rules requirements. CBD reserves the right to withdraw the Rights Offer at any time prior to the issue of New Shares under the Rights Offer at its absolute discretion.

A copy of the Corporate Action Notice and the Cleansing Notice accompany this announcement.

Cannasouth Limited is being advised by CM Partners Limited.

-ENDS-

For investor relations queries please contact:

Mark Lucas

CEO / Managing Director

Email: mark.lucas@cannasouth.co.nz

Mobile: +64 (0) 21 484 649

Tony Ho

Charman, Cannasouth Limited

Email: tony.ho@cannasouth.co.nz

Mobile: +61 (0) 417 345 839

About Cannasouth Limited

Cannasouth is a vertically integrated biopharmaceutical Group. The Group has been established to focus on the commercial development of the medicinally beneficial attributes of cannabinoid compounds produced by the cannabis plant, and other health products and medicines. Our goal is to support patients' health outcomes and improve their quality of life. Our products will be produced under GxP, using environmentally friendly methods, ensuring patients are treated with therapeutic products of the highest quality. Cannasouth Limited is the parent company, listed on the NZX, and is 100% owner of Cannasouth Bioscience Ltd, Cannasouth Cultivation Ltd, and Midwest Pharmaceuticals NZ Ltd.

For video footage, photos and logos please visit: <https://www.cannasouth.co.nz/about/media/>