

For Public Release

NZX Limited  
Wellington

10 December 2024

## **Cannasouth Announces Delisting**

### **Overview**

Cannasouth Limited (subject to deed of company arrangement) (NZX:CBD) ("**CBD**") confirms that NZ RegCo has accepted CBD's application to delist from the NZX Main Board, subject to CBD satisfying NZ RegCo's requirements.

### **Delisting**

There have been a number of subsisting breaches by CBD of its obligations under the NZX Listing Rules dated 24 July 2024 ("**Rules**"). For example, CBD has been unable to:

1. pay NZX Limited ("**NZX**") outstanding listing fees prescribed by NZX in accordance with Rule 1.12.1;
2. compose a board of directors that meets the requirements specified under Rule 2.1.1; and
3. file audited annual reports within three (3) months of the end of CBD's financial year in accordance with Rule 3.6.1,

(together the "**Breaches**").

CBD has not been in a position to resolve the Breaches. Accordingly, in order to resolve them, the Deed Administrators have exercised their powers under the Deed of Company Arrangement dated 24 June 2024 ("**DOCA**") to apply to NZ RegCo to delist CBD from the NZX Main Board and NZ RegCo has accepted CBD's application to delist from the NZX Main Board.

### **Events following Delisting**

As soon as practicable following the delisting of CBD, the Deed Administrators intend to exercise their powers under the DOCA to:

1. revoke the constitution of CBD, which incorporates the Rules;
2. replace the existing directors of CBD with new directors; and
3. resolve to transfer control of CBD back to the board of directors.

**Best Interest of Shareholders**

The deed administrators consider it in the shareholders' interests that CBD be delisted from the NZX Main Board. If CBD remains a listed entity, it will continue to incur additional compliance costs, which will delay the company's ability to reach a positive cash-flow position. The decision to delist from the NZX Main Board has been made with the support of the investor group that put forward the DOCA.

While shareholders maintain their rights as shareholders, the new Board of CBD will be exploring ways for shareholders to trade their shares via an unlisted platform.

**Shareholder Rights**

CBD will operate as a private company after delisting. Private company shareholders have the rights and obligations set out in Part 7 of the Companies Act 1993, subject to any modifications contained in the company's constitution (if any).

As a shareholder, you own part of the company but do not participate in its day-to-day management. Shareholders are free to sell their shares to anyone, subject to any shareholders' agreements or restrictions in the company's constitution.

If you require further advice on your rights as a shareholder or are considering selling or disposing of your shares in the company, we recommend that you seek independent advice on this matter.

**CBD Operations**

The CBD group continues to process several varieties of cannabis flower and produces CBD oral solutions, both to a GMP standard. Sales of the company products are in line with budget projections. While there are regulatory hurdles to export, the management team is exploring the possibility of expanding group revenues through offshore markets while continuing to build on its domestic market base.

**Reporting**

CBD will need to comply with its statutory reporting requirements following the company's delisting. This will include complying with audit requirements and holding the requisite shareholder meetings.

During the deed administration process, the Deed Administrators will endeavour to keep CBD's shareholders informed of material matters which relate to CBD. Once CBD is delisted from the NZX Main Board details on the administration process and the DOCA can be found at the Deed Administrators' website:

<https://www.blacklockrose.co.nz/cannasouth>

Once control of CBD has been transferred to the board of directors, queries regarding the company's affairs can be directed to CBD's interim CEO David Petterson by email: david.petterson@cannasouth.co.nz

-ENDS-

For further information, visit [www.cannasouth.co.nz](http://www.cannasouth.co.nz) or contact:

**Garry Whimp**

Deed Administrator, Blacklock Rose Ltd

Email: [gwhimp@blr.co.nz](mailto:gwhimp@blr.co.nz)

Mobile: 021 587 230

**Ben Francis**

Deed Administrator, Blacklock Rose Ltd

Email: [bfrancis@blr.co.nz](mailto:bfrancis@blr.co.nz)

Mobile: 021 042 6991

**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 are produced under GMP, 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 Eqalis Group New Zealand Ltd.

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