

For Public Release

NZX Limited
Wellington

1 November 2024

Cannasouth Addresses Shareholder Queries

Cannasouth Limited (subject to deed of company arrangement) (NZX:CBD) ("**CBD**") has received queries from shareholders during the course of the voluntary administration process and Deed of Company Arrangement to date. The Deed Administrators have consolidated the queries received from shareholders into a list of frequently asked questions which they respond to as follows:

1. What is a deed of company arrangement ("DOCA")?

A company and its creditors may resolve to enter into a DOCA at a watershed meeting. A DOCA is a binding agreement that sets out how the affairs and assets of a company are to be dealt with. A DOCA usually follows a voluntary administration process.

The purpose of a DOCA is to maximise the chances of the company remaining in business.

The Deed Administrators are responsible for ensuring that the terms of a DOCA are carried out.

2. What companies are subject to the DOCA?

The following companies are subject to the DOCA entered into on 24 June 2024:

- Cannasouth Limited;
- Cannasouth Cultivation Limited;
- Eqalis Group New Zealand Limited;
- Eqalis Pharmaceuticals Limited;
- Eqalis Innovations Limited; and
- RestoreMe Clinic Limited,

(together the "**Cannasouth Group**").

3. What does this mean for shareholders?

The DOCA binds the Cannasouth Group, their officers, their shareholders and the Deed Administrators pursuant to section 239ACS of the Companies Act 1993. The Deed Administrators are permitted to exercise the powers granted under the DOCA.

4. What is an administration process and how is that different from a liquidation?

Voluntary administration is a recovery mechanism, prescribed under the Companies Act 1993, which is aimed at giving a business the opportunity to carry on profitable business activities to avoid liquidation. An Administrator will implement cost-saving measures, but with the focus of maintaining the viability of the company as a going concern.

Liquidation will almost always result in a company being removed from the Companies Register. The primary reason for placing a company into liquidation is because the company is unable to pay its debts and has been declared insolvent. Unlike an administration process, the focus of a liquidator is to wind up the company's affairs, sell its assets, and distribute the proceeds to creditors.

5. Am I able to trade my shares?

On 28 March 2024, NZ RegCo exercised its discretion under NZX Listing Rule 9.9.3(b) and suspended trading of CBD's shares. Shareholders will not be able to trade shares in CBD while trading is suspended.

6. What are my shares worth?

CBD's shares were valued at \$0.0980 per share when NZ RegCo suspending trading. The share price will be updated if the trading suspension is lifted.

7. Where can I find details on the progress of CBD's administration and details of the DOCA?

The Deed Administrators endeavour to keep CBD's shareholders informed of material matters which relate to CBD. Details on the administration process and the DOCA can be found at the Deed Administrators' website:

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

8. What is the likely timetable and what do I need to do?

The Cannasouth Group will remain subject to the DOCA until:

- (a) the Deed Administrators certify that the terms of the DOCA have been complied with;
- (b) the creditors of the Cannasouth Group resolve at a creditor meeting to appoint a liquidator and/or terminate the DOCA;
- (c) the Deed Administrators resolve to terminate the DOCA due to an event of default not being remedied; or
- (d) the Court grants an order to terminate the DOCA.

While the Cannasouth Group remains subject to the DOCA, no action is required to be taken by shareholders.

9. Can the Deed Administrators provide information to shareholders?

The Deed Administrators may disclose material information to shareholders regarding the progress of CBD's administration and details of the DOCA. Material information will be posted on the Deed Administrators' website and/or through the NZX Market Announcement Platform.

-ENDS-

For further information visit www.cannasouth.co.nz or contact:

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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 Equalis Group New Zealand Ltd.

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