

For Public Release  
NZX Limited  
Wellington

14 July 2022

### **Cannasouth signs three-year supplier agreement with German-based WEECO Pharma**

Cannasouth's (NZX: CBD) wholly-owned subsidiary Cannasouth Bioscience Ltd has today signed a supplier agreement with WEECO Pharma GMBH based in Germany for the supply of cannabis flower from New Zealand into Europe.

#### **Highlights**

- WEECO is one of the leading importers of medicinal cannabis in Germany. Under individual cultivar supply agreements to be negotiated, cannabis flower will be supplied to WEECO from Cannasouth's world-class cannabis cultivation and processing facility based in Waikato, New Zealand.
- Cannasouth's agreement with WEECO is for a three-year term. Under the agreement WEECO has the right of first refusal for each new cultivar developed by Cannasouth.
- The agreement provides for minimum volumes of cannabis flower to be purchased by WEECO in order for WEECO to retain its first right of refusal for the duration of the agreement. The actual minimum volume of cannabis flower to be purchased is commercially sensitive, and cannot be disclosed at this time.
- Cannasouth and WEECO have also agreed to work together to develop cannabis cultivars to best suit the needs of the European market.
- Cannasouth considers that should the minimum volume of cannabis flower be purchased by WEECO, and all other pre-requisites for the sale and purchase of cannabis flower under the agreement are satisfied, the total value during years two and three of the agreement based on current market pricing could be between NZ\$12 million and NZ\$15 million dollars, depending on cultivar, pack size and type.
- Cannasouth will retain sufficient flower to supply the local New Zealand market which will enable its medicinal cannabis products to be verified. This flower is expected to be a popular form of medicinal cannabis with New Zealand patients.

#### **Material Terms**

- Subject to WEECO continuing to satisfy its minimum volume commitment under the agreement, the term of the agreement is for three years.
- WEECO has the right of first refusal for each new cultivar developed by Cannasouth to be exclusively supplied that cultivar for the European market.

- Each new cultivar supplied by Cannasouth will be covered by its own supply agreement which will cover exclusive supply, region, term, volume, product specifications and (current market) pricing.
  - If the parties cannot agree terms on any individual cultivar supply agreement, for any reason, Cannasouth will be free to sell to other parties without restriction.
  - Cannasouth is the exclusive New Zealand supplier of flower to WEECO except where Cannasouth is unable to supply flower to meet particular specifications or requirements requested by WEECO.
  - The parties agree to establish a genetics development agreement which will ensure future genetics will be best suited to the European market.
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#### **WEECO Pharma GmbH**

Boerge Diessel, CEO of WEECO Pharma GmbH comments "We are incredibly excited to be starting our partnership with Cannasouth. After a long vetting and qualification process, we are now able to add the top NZ supplier to our group of selected producers and genetics collaborators.

"Our customers will benefit from Cannasouth's excellent quality produced in their state-of-the-art facility. We will develop products together that will enable clear advances to be made in the treatment of various illnesses and thus offer patients a better quality of life."

#### **Cannasouth Ltd**

Cannasouth CEO Mark Lucas says "Cannasouth will benefit from the opportunity this agreement brings while we ramp up production and complete our GACP certification - which is expected soon. GMP certification is next to complete and is necessary for higher-value flower sales. Accessing the European market also requires suitable genetics.

"The agreement means Cannasouth can now confidently move forward with our growing programme and begin the next phase of our cultivar on-boarding and development.

"Exporting medicinal cannabis flower has always been part of our strategy for generating additional revenue streams while we develop our own medicinal cannabis products for the New Zealand market.

"Global demand, particularly in Europe, has created an early revenue opportunity in the export of premium cannabis flower. Our world-class, next-generation cannabis cultivation and processing facility was fully commissioned at the end of last year, which has enabled us to take advantage of the rapidly growing and lucrative pharmaceutical cannabis flower market.

"We have taken our time to select the best partner in Europe to represent Cannasouth and deliver our flower to one of the fastest-growing medicinal cannabis markets in the world.

"Despite global geopolitical and economic uncertainty, the medicinal cannabis industry continues to grow rapidly as patients worldwide seek alternatives to currently available treatments.

"We are thrilled to partner with WEECO and be a key part of their global network and growth plans. We have built a world class team and world-class cultivation facility here in New Zealand. These strong foundations are now enabling us to reap the rewards of our efforts and participate as a key player on the international stage."

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#### **About WEECO Pharma GmbH**

WEECO Pharma GmbH is one of the leading EU-GDP Medicinal Cannabis companies in Europe. The company was founded in Hildesheim in 2018 by Entrepreneur and businessman Tim Feike. With its unique business model to supply

top grade medical cannabis from all over the world to more than 40 German Medical Cannabis Wholesalers, at affordable prices they became the first of its kind in Germany, using a "distribution hub" concept.

WEECO provides a trading network within the German industry, and exports products to 7 international destinations, as well as having their own R & D facility in Denmark where strains are being created with over 30% THC and genetically developed to the specific production needs of individual GACP/GMP companies.

WEECO is growing its group internationally with different market strategies for new genetics and cultivation processes. Their concept is easy, they simply take the best ingredients and optimise their and their supplier's processes using a high-end digital quality management system.

### **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/>

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

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