

For Public Release
NZX Limited
Wellington

25 August 2022

Cultivation Facility Achieves Good Agricultural and Collection Practice (GACP) Certification

Cannasouth Limited (**NZX:CBD**) is pleased to announce that its subsidiary, Cannasouth Cultivation Limited, has today received its Good Agricultural and Collection Practice (GACP) certification for its controlled environment agriculture sealed greenhouse facility based in Waikato.

CEO Mark Lucas says "Achieving GACP certification is a credit to our cultivation and quality teams which have been working towards this since commissioning in November 2021."

The certifier is global organisation Control Union, which conducted an audit of the facility during its first commercial harvest in June 2022.

Control Union Medical Cannabis Standard GAP (CUMCS-GAP) is the globally leading certification standard for medical cannabis. The goal of the standard is to ensure the best quality and consistency in the production of the product.

The scope of CUMCS-GAP covers medical Cannabis propagation and cultivation and is fully compliant with both the World Health Organisation (WHO) and European Medicine Agency (EMA) GACP guidelines. Certified organisations receive both CUMCS-GAP certificate and GACP compliance certificate for both the WHO as well as EMA GACP guidelines.

GACP certification is required by many countries for the import of bulk cannabis flower to be used as a start material for further processing.

Cannasouth's cultivation and post-harvest facility is one of only a few of its type that has been specifically designed to operate with two quality standards. GACP, which covers the propagation and cultivation activities, and Good Manufacturing Practices (GMP), which covers the post-harvest, drying and packing processes. This is an important distinction because for higher value premium flower to be used as a finished product requires GMP certification for certain post-harvest activities in most jurisdictions, including New Zealand.

Mr Lucas says "GACP certification is a critical first step for both our exports and local sales of premium cannabis flower - it allows us to export bulk flower for use in further manufacturing, including extraction.

"Our next step is achieving the higher pharmaceutical quality standard of GMP certification for our post-harvest processes. GMP will allow us to produce flower as the finished product for both export and the New Zealand markets. This supports the recent multi-year supplier agreement we recently reached with our German customer".

Cannasouth's GMP audit is scheduled for September 2022.

-ENDS-

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

Mark Lucas

CEO

Email: mark.lucas@cannasouth.co.nz

Mobile: 021 484 649

Colin Foster

CFO / Company Secretary

Email: colin.foster@cannasouth.co.nz

Mobile: 027 577 1498

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/>