



10 May 2023

NZX Limited  
Wellington

### **Notice of Offer of Same Class Financial Products for Issue**

Cannasouth Limited ("CBD") intends to undertake offers of new ordinary shares in CBD ("New Shares") and new share options to acquire ordinary fully paid shares in CBD ("Options") as follows:

1. a pro-rata, 1 new CBD share for every 9.53075 existing CBD shares held, renounceable rights offer to eligible CBD shareholders ("the Cannasouth Offer") followed by an Oversubscription Facility process ("Oversubscription Facility"). For every two shares subscribed for under the Cannasouth Offer investors will also be issued one Option to acquire one ordinary share in CBD; and
2. a pro-rata, 1 new CBD share for every 2.7126 existing shares in Equis Group New Zealand Limited ("Equis"), renounceable offer to eligible Equis shareholders ("the Equis Offer") followed by an Oversubscription Facility. For every two shares subscribed for under the Equis Offer investors will also receive one Option to acquire one ordinary share in CBD; and
3. a general offer to members of the public to subscribe for new CBD Shares under the Oversubscription Facility, or for new CBD Shares that may not be subscribed for under either of the Cannasouth Offer or the Equis Offer ("the General Offer"). For every two shares subscribed for under the General Offer investors will also receive one Option to acquire one ordinary share in CBD.
4. an offer of CBD shares for issue on exercise of Options ("Option underlyings") from time to time in accordance with the terms of the Options ("Options Exercise").

For the purposes of this document the Cannasouth Offer, the Equis Offer, the General Offer, the Oversubscription Facility and the Options Exercise are together referred to as "the Offers".

Pursuant to clause 20 of Schedule 8 of the Financial Markets Conduct Regulations 2014 ("Regulations") and clauses 19(1) and (1A) of Schedule 1 of the Financial Markets Conduct Act 2013 ("FMCA"), CBD advises that:

1. The Offers are being made in reliance upon the exclusion in clause 19 of Schedule 1 of the FMCA. CBD is giving this notice ("Cleansing Notice") under clause 20(1)(a) of Schedule 8 of the Regulations.
2. As at the date of this Cleansing Notice, CBD is in compliance with:
  - (a) the continuous disclosure obligations that apply to it in relation to CBD's quoted financial products; and
  - (b) its "financial reporting obligations" (within the meaning set out in clause 20(5) of Schedule 8 of the Regulations).

**Postal Address:** PO Box 28132, Rototuna, Hamilton 3256, New Zealand

**Phone:** +64 (0)7 949 8393

**Web:** [www.cannasouth.co.nz](http://www.cannasouth.co.nz)

**Email:** [enquiries@cannasouth.co.nz](mailto:enquiries@cannasouth.co.nz)

3. As at the date of this Cleansing Notice, there is no information that is “excluded information” within the meaning set out in clause 20(5) of Schedule 8 of the Regulations, in respect of CBD.
5. The Offers are not expected to have any material effect or consequences on the control of CBD.
5. It is a term of the Offer of the Options that CBD will take any necessary steps to ensure that, immediately after the Option underlyings are issued, the Option underlyings are quoted on the NZX Main Board.

On behalf of the Board,



Mark Lucas

**EXECUTIVE DIRECTOR, CANNASOUTH LIMITED**