

For Public Release  
NZX Limited  
Wellington

2 August 2024

### **Cannasouth issues \$1,220,000 in Secured Convertible Notes**

Cannasouth Limited (NZX:CBD) advises that it has launched a wholesale offer of secured convertible notes ("**Notes**") to raise up to \$2,400,000.

#### **Issue Terms**

CBD has secured subscription agreements under which a total of \$1,220,000 of Notes were issued by the company on 31 July 2024. The principal terms of the Notes are detailed below.

Given the structure of the Notes offer, only wholesale investors, eligible investors and close business associates (as defined by the Financial Markets Conduct Act 2013) are entitled to participate in the Notes offer.

#### **Principal Terms of Notes**

The principal terms of the Notes are as follows:

- 1) The Notes have a term of 24 months.
- 2) The Noteholders may at their option (subject to paragraph 6 below) either:
  - (a) redeem the Notes for cash at the expiry of the term of the Notes; or
  - (b) convert all or some of the Notes into ordinary CBD shares at an issue price of 3 cents per share at anytime prior to the expiry of the term of the Notes, subject to paragraph 5 below.
- 3) The Notes bear an interest rate of 10% per annum.
- 4) The obligations of CBD under the Notes are secured by:
  - (a) an existing General Security Agreement over CBD's present and after acquired property granted in favour of all of the Noteholders; and
  - (b) a new General Security Agreement over Cannasouth Cultivation Limited's and Equis Pharmaceuticals Limited's present and after acquired property granted in favour of all of the Noteholders.
- 5) The exercise of the conversion rights are subject to the Company's shareholders approving the conversion rights on or before 31 January 2026.

-ENDS-

For further information visit [www.cannasouth.co.nz](http://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 Equis Group New Zealand Ltd.

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