

For Public Release
NZX Limited
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Cannasouth completes acquisition of outstanding stake in Midwest Pharmaceuticals NZ Limited

Cannasouth Limited (**NZX: CBD**) (Cannasouth), is pleased to announce it has completed the acquisition of the outstanding 40% shareholding in Midwest Pharmaceuticals NZ Limited (Midwest). This transaction was previously announced to the market on 5 July 2021.

Cannasouth acquired the initial 60% of Midwest in October 2019, including call options to acquire the remaining shares in Midwest. The accelerated acquisition of the outstanding shares in Midwest enables the Company to further integrate Midwest into Cannasouth. This includes consolidation of its revenue into the Group's results.

Midwest generates revenue of *circa* \$2 million per annum.

Cannasouth CEO, Mark Lucas says "Midwest is an integral part of Cannasouth's vertical integration 'seed to sale' strategy. Midwest is an accredited GMP manufacturing facility. It will be the manufacturing arm of the Cannasouth Group to produce New Zealand-made extracts and finished products for both local and export markets."

Mark Balchin, Midwest's vendor and CEO will continue as Chief Manufacturing Officer for the Group and is tasked with expanding the contract manufacturing capabilities of Midwest within its current business and the growing medicinal cannabis sector.

Mr Balchin holds a Bachelor of Technology in biotechnology and bioprocess engineering from Massey University. Before Midwest, he spent 10 years in the pharmaceutical industry, including time in the UK with British multi-national pharmaceutical company, GlaxoSmithKline.

Mr Lucas says "Having Midwest under the Cannasouth umbrella will streamline operations and generate efficiencies while positioning the business for GMP certified medicinal cannabis manufacturing."

-ENDS-

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

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About Cannasouth Limited

Cannasouth is a biopharmaceutical research and development company based in the Waikato heartland of New Zealand. The Company has been established to focus on the commercial development of the medicinally beneficial attributes of cannabinoid compounds such as CBD, THC and associated chemical structures that are produced by the cannabis plant. Our goal is the development of next-generation cannabinoid medicines that support patients' health outcomes and improve their quality of life. Our products will be produced under GMP using environmentally friendly methods without the use of harmful chemicals or solvents, ensuring patients are treated with pure cannabinoid therapeutic compounds of the highest quality. The Cannasouth group holds commercial medicinal cannabis licenses granted by the Medicinal Cannabis Agency for cultivation, possession to manufacture, and supply activities.

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