

10 December 2024

Cannasouth Limited (Administrators Appointed) - delisting from NZX

Cannasouth Limited (**CBD**) is an Issuer listed on the NZX Main Board (**NZSX**), and is subject to the NZX Listing Rules. CBD was placed into voluntary administration on 28 March 2024 and is currently subject to a Deed of Company Arrangement (**DOCA**). A DOCA is a binding agreement that sets out how the affairs and assets of a company are to be dealt with. A DOCA usually follows a voluntary administration process.

On 28 March 2024, NZ RegCo exercised its discretion under NZX Listing Rule 9.9.3(b) and suspended trading in CBD's shares.

Following its entry into voluntary administration, CBD has breached various fundamental Listing Rule obligations, including:

- CBD's board and audit committee not meeting composition requirements (including as to the minimum number of independent directors required by Listing Rules 2.1.1 and 2.13.2);
- not releasing its audited Full Year Results and Annual Report for the financial year ended 31 December 2023, as required by Listing Rules 3.5 and 3.6; and
- not releasing its Half Year Results Announcement for the interim period ended 30 June 2024, as required by Listing Rule 3.5.

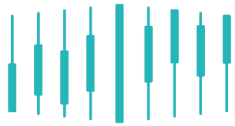
It is not clear when, or if, CBD will be able to rectify these breaches.

The *NZX Guidance Note – Delisting from NZX*, includes guidance on the circumstances in which NZ RegCo may exercise its discretion to cancel an issuer's listing. Those circumstances can include extended ongoing periods of compliance breach by an issuer. NZ RegCo has not exercised that discretion to date, given ongoing engagement with the CBD administrators on the future of CBD under the DOCA.

The DOCA provides that the administrators may apply to delist CBD and the administrators have now requested that CBD be delisted from the NZSX. NZ RegCo does not consider it is appropriate for CBD to remain a suspended listed entity for an extended period. As set out in the NZX guidance, it is not appropriate for issuers to remain listed if they are not able to meet their fundamental listing obligations on an ongoing basis.

NZ RegCo has approved the administrator's application to delist CBD, on the condition that CBD publishes a market announcement about the delisting and includes information for shareholders about CBD as a non-listed New Zealand incorporated entity. After delisting CBD will not be subject to the NZX Listing Rules. New Zealand incorporated entities must comply with the requirements of their constitution, the Companies Act, and if a "code company", the Takeovers Code.

CBD will delist after market close on Tuesday, 17 December 2024.



NZ RegCo

NZ'S LISTED
MARKET REGULATOR

Contact information

Details on the administration process and the DOCA can be found at the deed administrators' website:
<https://www.blacklockrose.co.nz/cannasouth>

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

Garry Whimp
Deed Administrator, Blacklock Rose Ltd
Email: gwhimp@blr.co.nz
Mobile: 021 587 230

Ben Francis
Deed Administrator, Blacklock Rose Ltd
Email: bfrancis@blr.co.nz
Mobile: 021 042 6991

After the administration, once control of CBD is transferred to a board of directors, queries regarding CBD's affairs can be directed to CBD's interim CEO David Petterson by email: david.petterson@cannasouth.co.nz

ENDS

About NZ RegCo

NZ RegCo is an independently governed entity, responsible for monitoring and enforcing compliance by listed issuers and accredited market participants with NZX's market rules. To learn more about NZ RegCo please visit: www.nzregco.com