

**ASX ANNOUNCEMENT**

**ASX CODE: HHI**

**29 July 2022**

## **Creso Pharma makes non-binding indicative proposal to acquire Health House**

**Key highlights:**

- **Health House International Limited has signed a non-binding term sheet with Creso Pharma Limited for Creso to acquire Health House**
- **The non-binding term sheet is conditional on Creso's completion of satisfactory due diligence on Health House and the parties entering into a formal Scheme Implementation Deed, amongst other standard conditions.**
- **The acquisition will be undertaken by a Scheme of Arrangement pursuant to Part 5.1 of the Corporations Act 2001 (Cth).**
- **CPS acting as corporate advisor for Health House**

**Health House International Ltd (ASX:HHI) (Health House or the Company)**, an international pharmaceutical distributor specialising in the distribution of medicinal cannabis products across Australasia, the United Kingdom and Europe, is pleased to announce that it has entered into a non-binding term sheet with Creso Pharma Limited (ASX: CPH) (**Creso**), under which it is proposed that Creso will acquire 100% of the shares in Health House by way of a scheme of arrangement to be undertaken by Health House (**Scheme**). The Scheme will be subject to shareholder and Court approval in accordance with the requirements of Part 5.1 of the Corporations Act 2001 (Cth).

The proposed transaction is subject to the Creso completing satisfactory due diligence on Health House's businesses and the satisfaction of a number of other conditions standard for transactions of this nature.

Under the Scheme, Creso will issue approximately one (1) Creso share for every two (2) Health House shares held (subject to further negotiations and potential adjustments based on Health Houses debt levels) giving Health House shareholders an approximately 7.3% interest in the expanded capital of Creso, valuing Health House at \$4,630,388 based on Creso's current share price and representing a 67% premium to

Health House's market capitalisation based on the closing price of Health House shares prior to Health House's voluntary suspension.

CPS Capital Group Pty Ltd is acting as Health House's corporate advisor for the proposed merger.

Further details are contained in an announcement by Creso (ASX:CPH) on 29 July 2022.

### **About Creso**

The proposed merger of Health House with Creso will create a global organisation with strong medicinal cannabis production and distribution capabilities.

Creso was created to bring pharmaceutical expertise and methodological rigour to the world of cannabis and deliver quality products to people and animals everywhere. Founded by a team of highly-experienced pharmaceutical executives, Creso set out to leverage cutting edge science and research to develop, register and commercialize innovative cannabis and hemp derived products.

Creso develops cannabis and hemp-derived therapeutic, nutraceutical, animal and cosmetic products with wide patient and consumer reach for human and animal health

### **Proposed Timetable**

The indicative timetable for the completion of the proposed transaction is as follows:

<b>Date (week ending)</b>	<b>Event</b>
29 July 2022	Execution of non- binding terms sheet
19 August 2022	Execution of scheme implementation deed
16 September 2022	Draft scheme booklet given to ASIC for review
30 September 2022	ASIC completes review
7 October 2022	First court hearing
7 October 2022	Despatch of scheme booklet to target shareholders
4 November 2022	Scheme meeting of HHI shareholders
11 November 2022	Second court hearing
11 November 2022	Scheme effective date
18 November 2022	Scheme record date
25 November 2022	Scheme implementation date

\*The timetable above is indicative only and subject to change

### **Due diligence**

The Board of Health House has determined that it is in the interests of the Company to grant Creso a period of three weeks to conduct due diligence to establish whether an acceptable binding transaction can be agreed.

## **Board intentions**

Based on current information, the Board intends to unanimously recommend that Shareholders vote in favour of the Scheme, subject to entry into an acceptable Scheme Implementation Deed, no superior proposal being received and an Independent Expert concluding (and continuing to conclude) that the Scheme is in the best interests of shareholders.

The Board notes that there is no certainty that the Creso proposal will result in a binding offer for Health House. At this time, Shareholders do not need to take any action in response to the Creso's proposal.

## **Update on proposed capital raising**

Health House is currently in voluntary suspension pending an announcement in relation to a material capital raising. The Company notes the capital raising has been deferred while Health House pursues the proposed Scheme.

The Company will remain in voluntary suspension.

*This announcement has been approved and authorised for release by the board of Health House International Limited.*

**David Wheeler**

**Chairman**

## **About Health House**

The Health House International Group is an international pharmaceutical distributor specialising in, but not limited to, the distribution of medicinal cannabis products across Australasia, United Kingdom and Europe.

The Group is a fully licenced and regulated specialised importer, exporter and distributor currently distributing medicinal cannabis products from 14 producers to pharmacies, prescribers, specialist medicinal cannabis clinics and researchers across Australasia. In the UK and Germany, the Group holds all relevant licences (including GMP manufacturing), Wholesale Dealers and Controlled Drugs licences. The Group supplies pharmacies, hospitals, government departments and other wholesalers with medicinal cannabis and general pharmaceutical products in the UK and Europe. The Group also integrates education of patients and healthcare professionals in the use of medicinal cannabis as a core part of its activities and is developing digital tools to enable a holistic understanding of usage.

**For more information, please visit [www.healthhouse.com.au](http://www.healthhouse.com.au)**

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