

**ASX ANNOUNCEMENT**

**ASX CODE: HHI**

**22 June 2022**

## Termination of scheme of arrangement

**Key highlights:**

- **Health House International and Zelira Therapeutics have agreed to terminate the scheme of arrangement announced on 23 February 2022**
- **Health House to update the market on alternative strategy in due course**

Health House International Ltd (ASX:HHI) (**Health House** or the **Company**) and Zelira Therapeutics Limited (ASX:ZLD) (**Zelira**) advise that after mutual consultation, they have agreed to terminate the proposed scheme of arrangement (**Scheme**) announced to the market on 24 February 2022. Under the Scheme, which required shareholder and Court approval in accordance with the requirements of Part 5.1 of the Corporations Act 2001 (Cth), Zelira was to acquire 100% of the issued capital of Health House.

The Scheme has been terminated in the context of the substantial change in market conditions since the announcement of the proposed Scheme and following consultation with key stakeholders regarding the likelihood all conditions precedent would be met, specifically whether a sufficient number of shareholders would vote in favour of the Scheme in the current circumstances.

As a result of this termination, Health House will make an immediate payment of \$50,000 to Zelira and shall repay Zelira the \$1.5 million working capital facility loan, plus interest, within 60 days of this announcement, pursuant to the terms of the Zelira working capital facility loan agreement announced to the market on 24 February 2022.

**Health House Founder & Chairman David Wheeler said:** “The proposed merger was borne out of a perception that the shareholders of Health House and Zelira would derive significant benefits from a combination of the two businesses, with significant operational and strategic advantages perceived to be achievable in the medium- to long-term. However, the recent substantial change in market conditions affecting both entities has required a re-evaluation of that approach. In conjunction with input from key stakeholders, the Board now takes the view that alternative strategies must be

explored. To that end, we expect to be able to provide a further update to the market in due course.”

*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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