

ASX ANNOUNCEMENT**ASX CODE: HHI****28 April 2023****Scheme consideration update****Scheme consideration update**

The Company refers to its ASX announcements:

- released on 21 November 2022 in relation to the execution of a scheme implementation deed with Creso Pharma Ltd (ASX: CPH) under which CPH proposed to acquire all the shares in Health House by way of a scheme of arrangement (**Scheme**);
- released on 23 March 2023 in relation to the orders made by the Supreme Court of Western Australia that Health House convene a meeting of Health House shareholders to consider and vote on the Scheme (**Scheme Meeting**) and approving dispatch of an explanatory statement providing information about the Scheme, together with the Notice of Scheme Meeting (together, the **Scheme Booklet**), to Health House shareholders; and
- released on 24 March 2023 in relation to the registration of the Scheme Booklet with the Australian Securities and Investments Commission.

Scheme consideration formula

Part 9.2 of the Scheme Booklet provided disclosure to Health House shareholders in relation to the Scheme consideration. As noted in the Scheme Booklet, each Health House shareholder will receive "X" new Creso Consideration Shares for the transfer of their Health House scheme shares, to be calculated using the following formula:

$$X = N / \text{Total Scheme Shares at Record Date}$$

and:

$$N = \frac{4,630,388 - FA}{SP}$$

where:

- N = the number of Creso Shares issuable in aggregate as Creso Consideration Shares;
- FA = the amount outstanding under the Facility Agreement (excluding \$1,750,000 advanced as repayment to Zelira Therapeutics and Celtic Capital) as at the Implementation Date; and
- SP = the closing price of Creso Shares trading on ASX on the day that Creso Shares next traded following the announcement of the Scheme to ASX (being \$0.043 on 4 August 2022).

Part 9.2 of the Scheme Booklet also disclosed that Health House intends to publish weekly updates on the ASX Market Announcements Platform describing the anticipated number of Creso Consideration Shares to be issued to Health House Shareholders as Scheme consideration, based on the value (or anticipated value) of "FA" as at the date of each announcement.

Update to values and worked examples of Scheme consideration

As at the date of this announcement:

- the amount outstanding under the Facility Agreement (excluding \$1,750,000 advanced as repayment to Zelira Therapeutics and Celtic Capital) is approximately \$1,235,000; and
- the Health House Directors' best estimate of the likely value of "FA" in the Scheme consideration formula on the Implementation Date has increased from \$1,250,000, as disclosed in the Scheme Booklet, to \$1,350,000.

The anticipated number of Creso Consideration Shares to be issued to Health House Shareholders as Scheme Consideration, based on a value (or anticipated value) of "FA" of \$1,235,000 and \$1,350,000 is as follows:

Value of FA	No. of Creso Consideration Shares issuable	No. of Creso Consideration Options issuable	One Creso Consideration Share and 0.25 Creso Consideration Options for every...
\$1,235,000	78,962,512	19,740,628	2.90 Scheme Shares
\$1,350,000	76,288,093	19,072,023	3.00 Scheme Shares

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

David Wheeler

Chairman

About Health House (www.healthhouse.com.au)

Health House International and the entities it controls (**the 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 Company 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

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