



16 May 2023

Creso Pharma completes the acquisition of Health House International Limited (ASX: HHI)

Highlights:

- **HHI is an international pharmaceutical distributor, specialising in (but not limited to) the distribution of medicinal cannabis products in Australia and other international markets**
- **Acquisition considerably broadens Creso Pharma's global distribution and provides another growing revenue channel**
- **HHI generated \$5.95m in cash receipts for the three month period ended 31 March 2022 – a 10.1% increase on the prior period and a 36.4% rise on the prior comparative period**
- **Combined CPH revenue and HHI cash receipts as a proxy for revenue takes unaudited pro forma revenue to \$8.26m or over \$33m on a last quarter annualised basis**
- **HHI is also actively broadening its licence suite which CPH will immediately leverage**
- **HHi recently lodged applications for state licence amendments to import and distribute medicines containing psilocybin and MDMA for either clinical trial purposes or certain mental health conditions under authorised psychiatrists**
- **Acquisition highlights the Company's ongoing commitment to advancing a commercial pathway in the Australian market, following TGA indication that medicines containing psilocybin and MDMA for prescription by specifically authorised psychiatrists for the treatment of certain medical conditions would be permissible from 1 July 2023**

Creso Pharma Limited (ASX:CPH, FRA:1X8) ('Creso Pharma' or 'the Company') is pleased to advise that it has completed its acquisition of Health House International Limited (ASX: HHI) ("Health House").

Completion of the acquisition follows approval from the second Supreme Court of Western Australia ("court"), which made orders on 4 May 2023 approving the scheme of arrangement pursuant to which Creso Pharma will acquire 100% of the shares in Health House ("Scheme").

The acquisition provides Creso Pharma with another revenue generating business unit, as well as operations focused on the international distribution of medicinal cannabis and a number of strategic licenses to store, distribute, import, export and sale of controlled drugs. HHI has also formally lodged applications in Australia for state licence amendments to import and distribute medicines containing psilocybin and MDMA for either clinical trial purposes or certain mental health conditions under authorised psychiatrists. This provides Creso Pharma with another potential pathway to unlock value in the growing Australian psychedelics industry.

HHI will considerably bolster Creso Pharma's growing revenue profile. Health House generated \$5.95m in cash receipts for the three month period ended 31 March 2023, which marked a 10.1% increase on the prior period and a 36.4% rise on the prior comparative period. Combined Creso Pharma Group revenue and HHI cash receipts as a proxy for revenue takes unaudited pro forma revenue to \$8.26m or over \$33m on a last quarter annualised basis (refer ASX announcement: 28 April 2023).

**Management commentary:**

CEO and Managing Director, Mr William Lay said: *"We are very pleased to have completed the acquisition of Health House and look forward to providing shareholders with further updates on its integration into the broader Creso Pharma Group over the coming weeks. In a short period of time, HHI has demonstrated its ability to generate considerable sales growth and as part of the broader Creso Pharma Group, we are confident that we can scale this significantly."*

-Ends-

Authority and Contact Details

This announcement has been authorised for release by the Managing Director of Creso Pharma Limited.

For further information, please contact:

Investor Enquiries

Creso Pharma Limited
E: info@cresopharma.com
P: +61 (0) 497 571 532

About Creso Pharma

Creso Pharma Limited (ASX:CPH) brings the best of cannabis to better the lives of people and animals. It brings pharmaceutical expertise and methodological rigor to the cannabis world and strives for the highest quality in its products. It develops cannabis and hemp derived therapeutic, nutraceutical, and life style products with wide patient and consumer reach for human and animal health.

Creso Pharma uses GMP (Good Manufacturing Practice) development and manufacturing standards for its products as a reference of quality excellence with initial product registrations in Switzerland. It has worldwide rights for a number of unique and proprietary innovative delivery technologies which enhance the bioavailability and absorption of cannabinoids. To learn more please visit: www.cresopharma.com

Creso Pharma offices:**Australia**

Suite 5 CPC, 145 Stirling Hwy, Nedlands, WA, 6009

Switzerland

Allmendstrasse 11, 6310 Steinhausen, Schweiz

Canada

59 Payzant Drive, Windsor, Nova Scotia, B0N 2T0 and 50 Ivey Ln, Windsor, Nova Scotia, B0N 2T0



Forward Looking statements

This announcement contains forward-looking statements with respect to Creso and its respective operations, strategy, investments, financial performance and condition. These statements generally can be identified by use of forward-looking words such as "may", "will", "expect", "estimate", "anticipate", "intends", "believe" or "continue" or the negative thereof or similar variations. The actual results and performance of Creso could differ materially from those expressed or implied by such statements. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Some important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, competition and government regulation.

The cautionary statements qualify all forward-looking statements attributable to Creso and persons acting on its behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this announcement and Creso has no obligation to up-date such statements, except to the extent required by applicable laws.