

Information Supplemental to the Recent Annabis Hemp Announcement

As recently announced CAE subsidiary, Cannindah Bioceutical Distribution (CBD), entered into an exclusive business and marketing agreement with Annabis Hemp from the Czech Republic. The agreement may be terminated by CBD at any time by notice in writing to Annabis with no penalty and is for an initial 3-year term. CBD will be managed with existing staff of the company overseen by the Executive Chairman. The agreement with Annabis came about after due diligence was completed by visiting the Annabis Distribution office in Olomouc in the Czech Republic and further discussions with its CEO. All products from Annabis facilities are produced under GMP/ISO certification which is obligatory to produce cosmetic products in the EU and Australia.

In accordance with the agreement, during the first year CBD will purchase a minimum \$12,000EUR worth of Annabis product. CBD has commenced preliminary discussions to engage the services of a regulatory compliance specialist. As a result of these initial discussions we do not expect any regulatory delay in CBD's ability to commence arranging distribution channels for Annabis products in Australia and to find local and interstate partners interested in retailing a range of Annabis products appropriate for the Australian Market. Annabis has advised that should any packaging need to be changed to suit a regulatory requirement that they would provide this for us at their cost. CBD will be conducting a full review on a couple of products within the Annabis range in conjunction with its consultant who has been providing expert regulatory and technical advice for companies with similar products going into markets within Australia, New Zealand and the USA for over 25 years. This review is to ensure that they are able to be marketed as cosmetics in Australia and will cost less than \$10,000AUD to complete and will be completed within a few weeks of this release.

Annabis Hemp has built a robust sales infrastructure focussing on Pharmacies in the European Union and other parts of the world. They have certifications for cosmetic, food supplement and food production. They are active in sales in many countries eg Czech Republic, UK, Italy, Spain, Switzerland, Chile, Peru, Canada, and will be actively assisting CBD to market in Australia.



Figure 1. Example of current Annabis Products being sold

For further information, please contact:

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