



COMPLETION OF CANPHARMA ACQUISITION

10 August 2021

HIGHLIGHTS

- **Health House completes acquisition of CanPharma issuing 18M shares and 36M performance shares**
- **Dr Henrik Sprengel appointed as Executive Director and Mr David Attwood appointed as Chief Executive Officer**
- **CanPharma management to hold 62% of the shares and 81% of the performance shares issued under the Acquisition**
- **All securities issued under the Acquisition subject to escrow conditions**

Completion of Acquisition

Health House International Limited (the **Company**) is pleased to announce it has completed the acquisition of CanPharma GmbH (**Acquisition**), issuing 18,000,000 shares and 18,000,000 performance shares to the CanPharma vendors as consideration for the Acquisition. The Company has also issued a further 18,000,000 performance shares to CanPharma management as an incentive.

Board and management changes

The Company is pleased to advise that CanPharma executive Dr Henrik Sprengel has been appointed as a director of the Company effective as at the date of this announcement.

The Company has also appointed Mr David Attwood as the Company's chief executive officer, taking over from Mr David Wheeler who will continue on the board as non-executive Chairman. Mr Attwood is Europe-based and will focus initially on growing the Company's European businesses.

Dr Henrik Sprengel

Dr Sprengel is co-founder of both CanPharma and Kalapa Clinic where he has gained extensive experience in the field of medicinal cannabis. Before founding CanPharma, he was CEO of the company builder Grupo HS3, which successfully launched several international projects across a number of industries, with a focus on internet and technology. Henrik started his career as a lawyer at Clifford Chance; he later held several international senior management positions in global media publishing company Bertelsmann, and as country manager for Spain and Mexico for a German media and tech company. Henrik holds postgraduate degrees in law (LLM, PhD) and an MBA (INSEAD, Fontainebleau/Singapore).

Dr Sprengel does not hold any directorships of other listed companies.

Henrik will continue to act in his role as CanPharma CEO – accordingly, he has entered into a consultancy services agreement with CanPharma pursuant to which he has been engaged on a 2-year fixed term with his services to be provided for €13,330 per month. Either party may terminate for cause and the consultancy services agreement is otherwise on the usual terms and conditions for agreements of this nature.

David Attwood

Mr Attwood currently acts as CanPharma’s CFO and brings extensive cannabis sector knowledge along with a strategic view of emerging opportunities in regulated markets. Before joining CanPharma, David led the consulting team at cannabis industry insights leader, Prohibition Partners. He has also held several roles in other regulated sectors (electronic cigarettes, renewable energy) and was a manager in Tax and Legal at PwC. David holds an undergraduate degree in law (LLB, Nottingham University) and an MBA (IESE, Barcelona) and is qualified as a chartered accountant (ICAEW). The Company has entered into an executive services agreement with David pursuant to which he has been engaged on a full-time basis on a salary of €160,000 per annum (inclusive of statutory obligations). Either party may terminate the executive services agreement by giving six months’ notice and David is otherwise engaged on the usual terms and conditions for agreements of this nature.

The Company notes that both Dr Sprengel and Mr Attwood have been issued Performance Shares in their capacities as both vendors and key managers and have entered into restriction deeds in respect of those securities until 24 April 2023.

CanPharma management will collectively hold securities issued under the Acquisition as follows:

Shares	Performance Shares (and Shares issued on conversion of Performance Shares)	Total
11,172,960	29,172,960	40,345,920

Escrow arrangements

Due to the proximity of the Acquisition to the Company's re-admission to quotation in April 2021, ASX has imposed escrow conditions on all the securities issued under the Acquisition as follows:

	Shares	Performance Shares (and Shares issued on conversion of Performance Shares)	Total
No. of securities escrowed to 24 April 2023*	12,437,100	30,437,100	42,874,200
No. of securities escrowed to 10 August 2022^	5,562,900	5,562,900	11,125,800
TOTAL	18,000,000	36,000,000	54,000,000

*being the date that is 2 years after the Company's re-admission

^In addition, of the shares and performance shares subject to ASX-imposed 12-month escrow, holders of 4,310,280 of those securities (2,155,140 shares and 2,155,140 performance shares) have agreed to a further period of voluntary escrow to 24 April 2023.

Health House Chairman David Wheeler commented: *We are very pleased to have achieved all of the completion milestones and now look forward to getting on with the business of integrating the CanPharma business, as we welcome David Attwood to his role of Group CEO and Henrik Sprengel to the Company's Board - together with the team from CanPharma, we will continue to build the Company's products and footprint.*

Health House's incoming CEO David Attwood commented: *Following discussions with HHI over the last months, we are convinced of a close cultural and strategic fit. I look forward to working with the wider team to quickly integrate the groups and ramp up the operations in Germany. The enlarged group will enhance our offer to patients and suppliers and represent a firm base for further growth within the nascent EU market where we remain vigilant for further opportunities.*

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

Tim Slate
Company Secretary

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

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

The Company is a fully licenced and regulated specialised importer, exporter, consolidator and distributor of medicinal currently distributing 14+ medicinal cannabis products to pharmacies, prescribers, specialist medicinal cannabis clinics and researchers across Australasia. With its Wholesale Dealers and Controlled Drugs licences the Company supplies pharmacies, hospital, government departments, veterinarians and other wholesalers with medicinal cannabis and general pharmaceutical products in the UK and Europe.

Address

Level 3, 101 St Georges Tce
Perth WA 6000
AUSTRALIA
Tel: +61 8 6558 0886
Fax: +61 8 6316 3337
E: admin@healthhouse.com.au
W: www.healthhouse.com.au
ACN 149 197 651

Contact:

David Wheeler
+61 419 352 152
david@pathwayscorporate.com.au

Tim Slate
+61 8 6558 0886
tim@catalystcorporate.com.au