

Perrigo Partners With Kazmira LLC To Enter CBD Market Through A Two-Phased, Science-Based Approach

Partnership focuses on large scale production and supply of cGMP compliant, THC-free CBD

Enables Perrigo to utilize Kazmira's THC-free hemp-based CBD supply to launch products globally, with exclusive supply agreement for the U.S. store brand market

CBD opportunity complements Perrigo's Consumer Self-Care growth strategy

DUBLIN, June 17, 2020 /[PRNewswire](#)/ -- Perrigo Company plc (NYSE; TASE: PRGO), a leading global provider of Quality, Affordable Self-Care Products, announced today that it is entering the cannabidiol ("CBD") market through a strategic investment in and long-term supply agreement with Kazmira LLC, a leading supplier of hemp-based CBD products free of tetrahydrocannabinol ("THC-free") based in Watkins, Colorado. The fast-growing and rapidly evolving CBD market is emerging organically in response to changing consumer preferences for natural remedies and aligns with Perrigo's vision *"To make lives better by bringing quality, affordable self-care products that consumers trust everywhere they are sold."*

Perrigo's minority equity investment initiates the first phase of the partnership where the two companies will collaborate to scale-up Kazmira's facilities and laboratories, in accordance with current Good Manufacturing Practices ("cGMP"), to produce THC-free CBD from industrial hemp that meets Perrigo's high standards for reliability and consistency. In the second phase of the partnership, Perrigo will work to launch THC-free hemp-based CBD products in a number of global markets, while leveraging its supply agreement with Kazmira, which is exclusive for the U.S. store brand market.

Perrigo CEO and President Murray S. Kessler commented, "Science-based natural products are one of Perrigo's 5 core growth pillars and THC-free CBD products fit perfectly into our self-care strategy. Until now, this emerging industry has lacked the regulatory expertise necessary to bring a trusted supply of CBD to market. Some have even described it as the wild, wild west. We believe that Kazmira's deep understanding of CBD science, combined with Perrigo's regulatory expertise and investment, allows us to lead the industry through the next phase of development of rigorous quality standards and proactive engagement with regulators."

Kessler continued, "Consumers and retail customers want CBD products and we believe they deserve a reliable source of broad-spectrum, THC-free CBD they can depend on. Whether it is the specific concentration of CBD or a THC-free claim, consumers must be able to trust statements made on the label of a product and we believe Perrigo can provide this to the marketplace. We are excited to partner with the team at Kazmira, who share our passion for developing a science-based, regulatory approach to unlock the full potential of this emerging industry. This collaboration offers a great opportunity to enhance profitable growth for our shareholders over the long-term."

Kazmira Co-CEOs Dr. Priyanka Sharma and Pulak Sharma commented, "We are proud to launch a strategic relationship with Perrigo, the industry leader in delivering safe and effective OTC self-care products. As we continue to grow our business, we look forward to leveraging Perrigo's regulatory and manufacturing expertise in concert with Kazmira's proprietary technology for large-scale biomass processing and our established reputation for producing and marketing the highest quality THC-free CBD products."

In addition to the the supply agreement, Perrigo will acquire an approximate 20% equity

stake in Kazmira for \$50 million with \$15 million paid upon close of the transaction and the balance within 18 months.

About Perrigo Company plc

Perrigo Company plc (NYSE; TASE: PRGO) is dedicated to making lives better by bringing Quality, Affordable Self-Care Products that consumers trust everywhere they are sold. The Company is a leading provider of over-the-counter health and wellness solutions that enhance individual well-being by empowering consumers to proactively prevent or treat conditions that can be self-managed. Visit Perrigo online at <http://www.perrigo.com>.

About Kazmira LLC

azmira LLC is an industrial scale producer of high purity, THC-free, broad-spectrum CBD oil and THC-free CBD isolate from American-grown ground industrial hemp. The company produces highly concentrated THC-free oils using a unique TruSpeKtrum™ technology platform that enables the supply of zero-THC products that are free of pesticides, solvent residues and heavy metals. Kazmira has demonstrated an ability to design innovative products and processes that are tailored to meet consumer self-care demands while being well-positioned for success in an evolving regulatory environment, and Kazmira's CBD oils are a significant source to some of the most prominent CBD branded products available to consumers.

Forward-Looking Statements

Certain statements in this press release are "forward-looking statements." These statements relate to future events or the Company's future financial performance and involve known and unknown risks, uncertainties and other factors that may cause the actual results, levels of activity, performance or achievements of the Company or its industry to be materially different from those expressed or implied by any forward-looking statements. In some cases, forward-looking statements can be identified by terminology such as "may," "will," "could," "would," "should," "expect," "forecast," "plan," "anticipate," "intend," "believe," "estimate," "predict," "potential" or the negative of those terms or other comparable terminology. The Company has based these forward-looking statements on its current expectations, assumptions, estimates and projections. While the Company believes these expectations, assumptions, estimates and projections are reasonable, such forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which are beyond the Company's control, including: the effect of the novel coronavirus (COVID-19) pandemic and the associated economic downturn and supply chain impacts on the Company's business; general economic, credit, and market conditions; future impairment charges; customer acceptance of new products; competition from other industry participants, some of whom have greater marketing resources or larger market shares in certain product categories than the Company does; pricing pressures from customers and consumers; resolution of uncertain tax positions, including the Company's appeal of the Notice of Assessment (the "NoA") issued by the Irish tax authority and the draft and final Notices of Proposed Assessment ("NOPAs") issued by the U.S. Internal Revenue Service and the impact that an adverse result in any such proceedings would have on operating results, cash flows, and liquidity; pending and potential third-party claims and litigation, including litigation relating to the Company's restatement of previously-filed financial information and litigation relating to uncertain tax positions, including the NoA and the NOPAs; potential impacts of ongoing or future government investigations and regulatory initiatives; potential costs and reputational impact of product recalls or sales halts; the impact of tax reform legislation and healthcare policy; the timing, amount and cost of any share repurchases; fluctuations in currency

exchange rates and interest rates; the consummation of announced acquisitions or dispositions and the success of such transactions, and the Company's ability to realize the desired benefits thereof; and the Company's ability to execute and achieve the desired benefits of announced cost-reduction efforts and strategic and other initiatives. An adverse result with respect to our appeal of any material outstanding tax assessments or pending litigation, including securities or drug pricing matters, could ultimately require the use of corporate assets to pay such assessments, damages from third-party claims, and related interest and/or penalties, and any such use of corporate assets would limit the assets available for other corporate purposes. Statements regarding the separation of the Rx business, including the expected benefits, anticipated timing, form of any such separation and whether the separation ultimately occurs, are all subject to various risks and uncertainties, including future financial and operating results, our ability to separate the business, the effect of existing interdependencies with our manufacturing and shared service operations, and the tax consequences of the planned separation to the Company or its shareholders. These and other important factors, including those discussed under "Risk Factors" in the Company's Form 10-K for the year ended December 31, 2019, as well as the Company's subsequent filings with the United States Securities and Exchange Commission, may cause actual results, performance or achievements to differ materially from those expressed or implied by these forward-looking statements. The forward-looking statements in this press release are made only as of the date hereof, and unless otherwise required by applicable securities laws, the Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

SOURCE Perrigo Company plc

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