



ASX Announcement

2 July 2018

CRESO PHARMA SIGNS AGREEMENT TO COMMERCIALISE cannaQIX® 50 IN NEW ZEALAND

Highlights:

- Creso Pharma signs a commercial agreement with CB Distributors Limited, trading as CANNZ Logistics, for the introduction of its unique CBD medicinal cannabis product cannaQIX® 50 to New Zealand.
- The partnership is focused on working with local health regulators and prescribing physicians to improve patient access to the highest quality, legal medicinal cannabis-based products.
- This marks the first launch of Creso's CBD product, made from full spectrum hemp plant extracts, in the APAC region, a market which is projected to be worth over US\$700 million in sales by 2022.

Creso Pharma Limited (ASX: CPH, the "Company" or "Creso") is pleased to announce it has signed a commercial agreement with CB Distributors Limited, to introduce its CBD hemp-based medicinal product cannaQIX® 50 to New Zealand. This agreement follows a successful, revenue generating launch of cannaQIX® 10 in Switzerland and Lichtenstein with further launches pending in the UK and the Netherlands.

New Zealand has a world-class health system and like many others has its challenges, including cost to patients and ability to access innovative medicines. Creso's medicinal cannabis product allows a new approach doctors can use to assist patients in the management of conditions such as chronic pain, a pressing worldwide medical need.

Dr. Miri Halperin Wernli, Creso Pharma's CEO and co-founder said: "We are really excited to introduce cannaQIX® 50 to New Zealand with CB Distributors. This is a young and very highly motivated company with a genuine passion for the benefits cannabis can deliver to patients. This is a perfect fit with Creso's own philosophy and we anticipate a very successful collaboration."

"For Creso, New Zealand is an important market as it forms part of its overall APAC strategy, a region where projections suggest 23% of the worldwide spend on CBD products will take place by 2022."

Said Courtney Letica, the founder and Managing Director of CB Distributors: "Creso Pharma is a true innovator in the cannabis industry and we're delighted to partner with them on the introduction of cannaQIX® 50 to New Zealand. This is a premium, pharma-grade product which is uniquely patient friendly."



According to the UN, 13.4% of adults in New Zealand use black-market cannabis for medical or recreational purposes. The Ministry of Health has suggested up to 235,000 people use cannabis for medical purposes.

"This product offers patients and prescribers increased choice, and with the pending changes in New Zealand regulations, we hope to see many patients referred to this novel product. CB Distributors is focused on working with health regulators and prescribing physicians to improve patient access to the highest quality, legal cannabis-based products."

CBD currently remains a class B1 controlled drug in New Zealand. Patient access was greatly improved in 2017 when a change to the regulations allowed for prescription of CBD products by all medical practitioners. This change streamlined some of the administrative burden previously associated with this class of drugs. Pending legislation seeks to remove the controlled drug status of CBD products, sending a further signal to prescribers about the suitability of CBD medicines.

About cannaQIX® 50

cannaQIX® 50 is Creso's proprietary buccally formulated cannabidiol (CBD) lozenge which is designed to support the management of chronic pain. Each cannaQIX® 50 lozenge contains 50mg of CBD from full spectrum hemp plant extracts along with niacin, vitamins B6, B12, C, and zinc in a standardised pharma-grade formulation produced in Switzerland.

cannaQIX® 50 comes in packs of 30 lozenges in a proprietary delivery formulation designed for buccal absorption and to dissolve in the mouth. This method works faster and more efficiently than tablets or capsules which need to be swallowed and have a high percentage of their ingredients broken down when absorbed through the intestine and passed first through the liver. By being dissolved in the mouth, the active ingredients enter the blood stream directly, avoiding this first pass through the liver.





The standardized, user-friendly strength and formulation allows precise dosage control, ensuring a reliable and stable effect.

The cannaQIX® range has been developed to Good Manufacturing Practice standards and is produced in Switzerland by Creso's partner, Swiss-based food and pharma development company, Domaco, Dr. med Aufdermaur AG (Domaco) to the highest Swiss quality with a "Swiss Made" label.

About Creso Pharma

www.cresopharma.com

Creso Pharma brings the best of cannabis to better the lives of people and animals. Creso Pharma 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 uses GMP 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.

About CANNZ Logistics

<http://www.cannz.co.nz>

CB Distributors Limited is a newly formed company, with a mission to introduce safe, high quality medicinal cannabis products as prescription medicine for the betterment of people's lives in New Zealand. The owners are proudly associated with grass roots cannabis activism and are committed to the patient advocacy community.

About Domaco, Dr. med Aufdermaur AG

www.domaco-pharma.com

Domaco, Dr. med Aufdermaur AG is a Swiss-based food and pharma development company that owns the rights to a number of innovative delivery systems used to administer active ingredients through galenic forms which is a way of preparing and compounding medicines in order to optimize their absorption.



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.

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Corporate Queries

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