



ASX Announcement

7 January 2019

Strategic collaboration to expand Creso's medicinal cannabis product offering into Sri Lanka

Highlights

- Creso Pharma to geographically expand into Sri Lanka with its innovative therapeutic products containing full spectrum hemp extracts in partnership with Ceyoka Health, one of Sri Lanka's leading pharmaceutical distribution companies
- Initial focus will be on gaining the necessary regulatory acceptance for cannAFFORD® 50 to be sold as a therapeutic product in Sri Lanka via approved channels
- The partnership plans to explore a range of additional activities in the medicinal cannabis space

Creso Pharma Limited (ASX:CPH, FRA:1X8) (the "Company" or "Creso") is pleased to announce that it has signed a binding Letter of Intent with Ceyoka Health (Pvt) Ltd, one of Sri Lanka's foremost pharmaceutical distribution companies, to geographically expand the distribution of its innovative therapeutic medicinal cannabis products into Sri Lanka.

The partnership will initially focus on gaining the necessary regulatory acceptance for Creso's flag-ship medicinal cannabis product, cannAFFORD® 50, to be sold as a therapeutic product in Sri Lanka via approved channels.

The partnership will then look to explore a wide range of other joint initiatives firmly focused on innovative therapeutic and medicinal products containing hemp extracts which can help to improve the lives of patients.

Dr. Miri Halperin Wernli, Creso Pharma's CEO and co-founder said, "We are really excited to partner with Ceyoka Health on the expansion of our business into Sri Lanka. In addition to their broad distribution network which accesses over 1,800 pharmacies, this is a company which is heavily focused on investing in innovation. With Ceyoka, we found an ideal fit with Creso's own philosophy and we anticipate a very long and successful collaboration."



Mr. S. Premakumar Weyhenage, Ceyoka Health's CEO said, "We're delighted to partner with Creso Pharma, a truly innovative company with a great vision for the medicinal cannabis industry. We see opportunity for many areas of collaboration with Creso Pharma and look forward to a great partnership".

About cannAFFORD® 50 in medicinal cannabis

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



cannAFFORD®50 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. 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 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 Ceyoka Health (Pvt)

Ceyoka Health is one of the leading pharmaceutical distribution companies in Sri Lanka. It enjoys a great reputation amongst its loyal customer base and has an Island-wide distribution network accessing over 1,800 pharmacies. Its existing product lines range from basic to high-end pharmaceutical drugs sourced from the USA, Switzerland, China, India, Pakistan, Malaysia, Korea and other countries. Ceyoka is part of Nawaloka Holdings, a diversified conglomerate in Sri Lanka with operations in the pharma healthcare, construction, manufacturing, trading, lubricant and aviation sectors.

About Domaco, Dr. med Aufdermaur AG

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 optimise 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.

Corporate Queries:

EverBlu Capital
Level 39, Aurora Place
88 Phillip Street, Sydney NSW 2000
E: info@everblucapital.com
P: +61 2 8249 000