



ASX Announcement | 6 August 2019

Creso Pharma announces signing of comprehensive Distribution Agreement

Further building its New Zealand-based cannabis business

In partnership with Medleaf Therapeutics

Investment Highlights

- The Distribution Agreement between Creso Pharma and Medleaf will provide further access to Creso's increasing range of medicinal cannabis products
- The comprehensive agreement provides the opportunity for New Zealanders to gain access to affordable, high quality, broad spectrum, GMP products
- Creso Pharma and Medleaf are pleased to confirm placement of second orders for its CBD-based cannaQIX® 50

Tuesday, 6 August 2019 - Creso Pharma Limited (ASX:CPH, FRA:1X8) ("Creso Pharma" or "the Company") is pleased to announce the signing of a comprehensive Distribution Agreement ("Agreement") with JC Logistics Ltd t/a Medleaf Therapeutics ("Medleaf") for the exclusive distribution of Creso's cannaQIX® 50 and 10% CBD Oil in New Zealand.

The Agreement, effective until 31 December 2022, expands the range of medicinal cannabis products which MedLeaf initially anticipated to source through Creso Pharma (as previously disclosed in announcement made 9 January 2019). The Agreement includes minimum purchase targets and Creso can terminate the Agreement giving 6 months notice if these targets are not met.

The signing coincides with the placement of MedLeaf's second order for cannaQIX® 50 as it builds its patient base across New Zealand.

Dr. Miri Halperin Wernli, Creso Pharma's CEO and co-founder said, "The evolving regulatory situation in New Zealand is providing a solid foundation on which to build this close relationship with MedLeaf. We're pleased with our progress to date and encouraged to see a wide range of new opportunities opening up to bring life-improving products to patients in New Zealand".

Courtney Letica, the CEO and founder of Medleaf said, "Our ultimate aim is to develop a world class, New Zealand-based cannabis business with leading research and development, cultivation, extraction and product development capabilities.



After three years of patient advocacy, Medleaf Therapeutics is proud to leverage this great relationship with Creso Pharma to bring greater choice to New Zealanders. With the environmentally sustainable, outdoor sun-grown crops from PharmaCielo and great product development of Creso Pharma, this partnership will see an opportunity for New Zealanders to gain access to affordable, highest quality, broad spectrum, GMP products.”

About cannaQIX® 50 in medicinal cannabis

cannaQIX® 50 is Creso Pharma’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 standardized 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.



Image: cannaQIX 50®



cannaQIX 50® has been developed to Good Manufacturing Practice standards and is produced in Switzerland by Creso Pharma’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 Medleaf CBD Oil

Medleaf 10% CBD Oil is produced to GMP standards to assure the highest quality extract possible and comes in an easy to use 25ml dispensing bottle. Medleaf and Creso Pharma worked closely on introducing an initial CBD Oil product which most closely addresses the immediate needs of physicians and patients in New Zealand. Their Agreement provides scope for further oil product introductions in the future.



Ends.

**Investor Enquiries**

EverBlu Capital

E: info@everblucapital.com

P: +61 2 8249 0000

Media Enquiries

Julia Maguire | The Capital Network

E: julia@thecapitalnetwork.com.au

P: +61 419 815 386

About Creso Pharma

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 Pharma uses GMP (Good Manufacturing Practice) 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. To learn more please visit: www.cresopharma.com

About Medleaf Therapeutics

Medleaf Therapeutics has a mission to introduce safe, high quality medicinal cannabis products as prescription medicine for the betterment of people's lives in New Zealand. Medleaf are also proud to be the first New Zealand medical cannabis company to successfully import product since legislation allowed. The owners are proudly associated with grass roots cannabis activism and are committed to the patient charity and advocacy community. To learn more please visit: www.medleaf.co.nz

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. To learn more please visit: www.domaco-pharma.com



Forward Looking statements

This announcement contains forward-looking statements with respect to Creso Pharma 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 Pharma 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 Pharma and persons acting on its behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this announcement and Creso Pharma has no obligation to up-date such statements, except to the extent required by applicable laws.