



4 June 2021

Creso Pharma extends distribution agreement with Route 2 Pharm to access to rapidly growing Latin American cannabis market

Highlights:

- **Distribution Agreement with Route 2 Pharm Pvt Ltd. expanded to allow for distribution of Creso Pharma's products into Ecuador – agreement now extends to 14 countries**
- **Ecuador is a large market opportunity and will allow for growth across Latin America**
- **The country provides a favourable operating jurisdiction – the Ecuadorian National Assembly passed legislation in 2019 to approve the production, commercialisation, use, and consumption of cannabis for medicinal or therapeutic treatmentⁱ**
- **Latin American and Caribbean cannabis market has a total population of 655mⁱⁱ and is expected to be valued at over US\$300m by 2024ⁱⁱⁱ**
- **Collaboration is supported by Highnoon Laboratories (PSX: HINOON) – Creso to leverage its international marketing and financial strength to unlock growth opportunities**

Creso Pharma Limited (ASX:CPH, FRA:1X8) ('Creso Pharma' or 'the Company') is pleased to advise that it has expanded its comprehensive distribution agreement with leading nutritional supplements company Route2 Pharm Pvt Ltd ('Route2'), to allow for distribution of Creso Pharma's innovative hemp derived therapeutic products sold under the cannaQIX® and CannaDOL brands into Ecuador. This provides the Company with access to the rapidly growing Latin American CBD market.

Route2 is a subsidiary of Route2Health, which has over 30 years of pharmaceutical science experience and focuses on producing and distributing world-class herbal remedies and dietary supplements.

The extension follows Creso Pharma's initial agreement, secured in February (refer ASX announcement: 15 February 2021) ('Distribution Agreement'). Under the new expanded agreement and in association with Highnoon Laboratories (PSX: HINOON), the parties have agreed, subject to further regulatory approvals, to leverage their combined international reach to include Ecuador to the existing agreed markets of Pakistan, Afghanistan, Azerbaijan, Bangladesh, Cambodia, Georgia, the Maldives, Myanmar, the Philippines, Tajikistan, Turkmenistan, Uzbekistan, and Vietnam ('Extension'). All other material terms of the Distribution Agreement, as disclosed in the announcement dated 15 February 2021, remain unchanged.

Ecuador provides a large market opportunity for Creso Pharma as it recently passed legislation to approve the production, commercialisation, use and consumption of cannabis for medicinal or therapeutic treatment.

The country has a population of over 15m and is part of the rapidly emerging medicinal cannabis market in the Latin American and Caribbean region, which has an estimated population of 655mⁱⁱ. Creso is confident that Ecuador will provide it with a strong foothold in the rapidly growing Latin American market, which is expected to grow to over US\$300m in value by 2024ⁱⁱⁱ.

Creso Pharma's portfolio of cannabis and hemp-derived products focuses on four key areas: therapeutics, nutraceuticals, animal health, and cosmetics. The Company currently has a portfolio of



13 products, eight of which have been commercialised and are generating consistent revenues, with the remaining pending commercialisation shortly.

Non-executive Chairman Adam Blumenthal said: *“The evolving regulations in Ecuador and the broader Latin American and Caribbean region present a tremendous opportunity for both our human and animal products and the extension of our distribution agreement with an established company such as Route2 provides the opportunity for millions of people to gain access to our innovative products.”*

“Our mission is to deliver access to affordable, high quality, broad spectrum, GMP products for the betterment of people’s lives everywhere. We are witnessing strong uptake across our entire product suite and this agreement provides further evidence of the considerable potential that the Company has in established and emerging markets alike.”

Tausif Khan, the Chairman of Route2 and Highnoon Laboratories said: *“We are pleased to continue our investment in this partnership with leading global cannabis company Creso Pharma. Our teams’ joint efforts are making significant progress in key target markets and we are excited to leverage this momentum into additional territories. We share the commitment of Creso Pharma of bringing affordable, high quality products to market which improve peoples lives and we will continue to leverage the financial and marketing strength of our group to deliver on this mission.”*

Shahnawaz Baig, Managing Director of Route2 said: *“Our company has thirty years’ experience of successfully bringing products to market. These products draw on our knowledge in both pharmaceutical sciences and time-tested herbal remedies. Our collaboration with Creso is progressing very well and we are excited to continue to expand this valuable partnership to include further new markets.”*

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Authority and Contact Details

This announcement has been authorised for release by the Board of Creso Pharma Limited.

For further information, please contact:

Investor Enquiries

EverBlu Capital

E: info@everblucapital.com

P: +61 2 8249 0000

Released through:

Ben Jarvis, Six Degrees Investor Relations: Ph: +61 (0) 413 150 448

About Creso Pharma Limited

Creso Pharma Limited (ASX:CPH) 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 several unique and proprietary innovative delivery technologies which enhance the bioavailability and absorption of cannabinoids.

To learn more please visit: www.cresopharma.com

About Route 2 Pharm Pvt Ltd

Route to Pharm is a wholly owned subsidiary of Route 2 Health and located in Lahore, Pakistan. Its manufacturing facility is approved by the Drug Regulatory Authority of Pakistan to manufacture herbal and nutritional products and is both GMP and ISO certified. The group has several notable national and international partnerships, including with Highnoon Laboratories, Himalaya and Engelhard Arzneimittel.

About Highnoon Laboratories Ltd. (PSX: HINOON)

Highnoon Laboratories Limited was incorporated as a private limited company in Pakistan in 1984, converted into a public limited company in 1985 and its shares are quoted on Pakistan Stock Exchange since November 1994. The Company is principally engaged in the manufacture, import, sale and marketing of pharmaceutical and allied consumer products. The registered office of the Company is situated at 17.5 Km, Multan Road, Lahore.

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.

ⁱ <https://www.bizlatinhub.com/medicinal-cannabis-ecuador-legislation-spur-commercial-boom/>

ⁱⁱ Prohibition Partners – The Latin America and Caribbean Cannabis Report – November 2020

ⁱⁱⁱ <https://www.statista.com/statistics/1222258/latin-america-cannabis-market-value/#:~:text=The%20recreational%20legal%20cannabis%20market,four%20million%20dollars%20in%202020.>