



ASX Announcement

22 March, 2017

Creso Pharma signs commercial agreement in Brazil as part of expansion into Latin American market

Highlights:

- **Creso signs binding Letter of Intent (LOI) with Brazil-based market-access and distribution service company Sin Solution**
- **The deal gives Creso a strategic foothold into the vast Latin American market**
- **Sin Solution works with a number of high-profile commercial partners in Brazil and across Latin America**
- **Its partners include medical device, pharmaceutical and consumer goods giant, Johnson & Johnson as well as GSK, Danone, and medicinal prescription and OTC pharmaceuticals and distribution company, Ache Do Brasil**
- **Creso and Sin Solution will work together on the commercialisation of Creso's premium Swiss Vitamin nutraceuticals and Creso's cannabinoid-derived nutraceutical products in Brazil**
- **Sales of Creso's products in Brazil will target the privately insured middle class population of 60 million people, giving it a potential market of more than \$US800 million**

Creso Pharma Limited (ASX:CPH, the "Company") is pleased to announce that it has signed a binding Letter Of Intent (LOI) with Brazil-based Sin Solution for the marketing, sale and distribution of Creso products in Brazil.

Latin America is a key market for Creso and the agreement provides the Company with a strategic foothold from which it can expand the launch of its cannabinoid-derived nutraceutical products into other countries in the region.

The sale of Creso's products in Brazil will target the privately insured middle class population of 60 million people, giving it a potential market of more than \$US800 million.

Sin Solution is a Brazil-based company that specialises in the market-access, sale and distribution services of health care products in Brazil and across Latin America. It has access to more than 350,000 health professionals and over 200, 000 direct patient contacts in the region.

Sin Solution has an extensive commercial network, working with a number of high-profile commercial partners across the food manufacturing and pharmaceutical industries including global medical device, pharmaceutical and consumer goods manufacturer Johnson & Johnson, as well as GSK and Takeda.



It also works with a number of key marketing and distribution partners, including:

- Medicinal prescription and over-the-counter (OTC) pharmaceuticals and distribution company, Ache Do Brasil, which has more than 65,000 points of sales in Brazil. Ache Do Brasil promotes 316 brands and had 2015 net revenues of R\$2.3 billion (A\$1 billion).
- Hypermarcas, the number one OTC pharmaceuticals company in Brazil with 15% market share and sales totalling R\$1 billion (A\$420 million) in 2015.
- Biolab, which is among the top-10 biggest pharmaceutical companies in Brazil, with a field force of 1050 people. Biolab had sales of US\$370 million in 2015, covering 250,000 medical professionals in Brazil and a market share of 2.13%.

Through the LOI, Sin Solution will act as a commercial partner for the commercialisation in Brazil of Creso's various Swiss Vitamin premium nutraceutical products as well as its cannabinoid-derived nutraceutical products.

The Swiss Vitamin premium nutraceutical products are based on INNutri's unique delivery technology with buccal absorption and high bioavailability of premium vitamin mixes supporting different health applications. They are targeted to the active middle-class working population.

Introducing the Swiss Vitamin nutraceutical products to the market will prepare the groundwork for the successful launch of Creso's cannabinoid-derived nutraceutical product using the same innovative buccal delivery technology that specifically targets anxiety and stress.

Creso will now proceed to register the premium Swiss Vitamin products in Brazil, followed by a launch in 2H2018. The registration of the cannabinoid-derived nutraceutical product will follow the product launch in the Swiss market.

Creso expects first sales of its products in Brazil to occur in 2H2018. This will be quickly followed by sales into other Central/Latin American markets with the related partners.

"This agreement gives Creso entry into Latin America via a strategic partner in the continent's largest economy, Brazil. Working with Sin Solution gives us access to further key commercial partners in the region and allows us to tap into a vast and fast-growing market, supporting the long-term growth of our business," said Creso Pharma Group CEO and Co-Founder, Dr. Miriam Halperin Wernli.

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Investor Enquiries:

Gabriella Hold
M: 0411 364 382
E: gabriella.hold@mcpartners.com.au

Media Enquiries:

Harrison Polites
M: 0409 623 618
E: harrison.polites@mcpartners.com.au



Corporate Queries:

EverBlu Capital
Level 39, Aurora Place
88 Phillip Street, Sydney, NSW 2000
E: info@everblucapital.com
P: +61 2 8249 0000

About Creso Pharma

Creso Pharma brings pharmaceutical expertise and methodological rigour to the world of medical cannabis and strives for the highest quality in its products. It is the leader in cannabidiol (CBD) innovation and develops cannabis- and hemp-derived therapeutic-grade CBD nutraceuticals and medical cannabis products with wide patient 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. The Company is already generating revenues via its subsidiary, Hemp-Industries.