



ASX Announcement

2 April 2019

MARKET UPDATE

Creso Reports Significant Commercial Progress Across Premium Product Categories

Creso Pharma Limited (ASX:CPH) (the “Company” or “Creso”), is pleased to provide a progress update of its commercialized product portfolio, as well as new products in the development pipeline.

Investment Highlights

- The two Human Health products, CannaQIX® 10 and CannaQIX® 50, launched with commercial partners Doetsch Grether and Pharmacare, are growing steadily;
- Following the launch of the Animal Health products range, anibidiol® RELAX and anibidiol® PLUS in Switzerland, the range continues to expand into a further 14 countries on schedule;
- A further four new CBD hemp-oil and hemp-seed based products are ready for launch including: cannaQIX® NITE, cannaPEAL® and cannaPEAL® NITE in the areas of stress and sleep, and cannaDOL® Revitalise, a functional topical gel for muscle and joints revitalization; and,
- Preparation for the entrance into the medical cannabis field with products from Creso Mernova Medicinal is advancing.

Creso’s Human Health range of products offer consumers safe, effective and certified cannabidiol (CBD) Food Supplements with broad market reach and without the need for medical prescriptions.

Creso’s commercialised products cannaQIX® 10 and 50 in Human Health are progressing steadily and generating revenues. The key differentiation factors compared to other products on the market are the improved buccal absorption providing a better effect and an appealing taste, according to Jorge Wernli, the Company’s Commercial Director of Creso Pharma in Switzerland.



cannaQIX® 10



cannaQIX® 50

The anibidiol® range of products for pets health will be launched with Virbac into further 14 countries in 2019 after the successful Swiss launch.



anibidiol® Relax



anibidiol® Plus

In Human Health, the Company is very pleased with the substantial progress that has been achieved with its commercial partners Doetsch Grether Switzerland and Pharmacare UK. Through these partnerships, Creso's products are achieving significant penetration into pharmacies and drug stores.

Similarly, in Animal Health there is excellent progress in the penetration with veterinarians/clinics in Switzerland and new launches will start in new countries from Q2 CY19.

R&D-driven innovation continues

Creso continues to focus its R&D focus on humans and animals' unmet health needs with the development of new leading technologies which maximise absorption and improve bioavailability of CBD hemp-oil and cannabis-based food and food supplements.



Creso's products are focusing on the attractive fields of stress, chronic pain and sleep. The attractiveness of these markets is high, more than 13-14%¹ of the healthy population 15-65 years are affected due to daily stress.

The new products, which are now ready for launch, are further CBD hemp-oil based and hemp-seed based nutraceuticals with improved delivery systems and a continued focus on the areas of sleep, stress and chronic pain.

New products targeting stress, sleep and muscle revitalisation

The cannaQIX® NITE and cannAPEAL® NITE products are aimed at providing improved sleep.

cannaQIX® NITE is CBD hemp oil based that supports the reduction of stress and improves sleep via a combination of CBD hemp oil, vitamins and a sleep improving essential extract in a proprietary delivery formulation.

cannAPEAL® NITE contains hempseed oil, rich in Omega 3, 6 and 9, combined with vitamins and an essential sleep improving extract. It supports healthy ageing and improved sleep.

cannAPEAL® is based on hempseed oil, rich in Omega 3, 6 and 9, in combination with vitamins aimed at supporting healthy ageing and wellbeing.

The cannaDOL® Gel Revitalize is composed of CBD hemp oil combined with 14 essential oils providing a topical highly effective cooling and a lasting warming effect. It supports sports events preparedness and/or post-event quick revitalization of muscle tension and/or arthritis-related chronic muscle pain.



cannaQIX® NITE



cannAPEAL® NITE



cannaDOL® Gel



cannAPEAL®

¹ BMC Fam Pract. 2015; 16: 38, Published online 2015 Mar 19. doi: 10.1186/s12875-015-0252-7



Creso's cannaQIX® and cannAPEAL® range of products in Human Health as well as the anibidiol® range of products in Animal Health have been developed to Swiss GMP standards and are 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 and are released with the much sought after "Swiss Made" label.

Product pipeline for entry into the medical cannabis space

Creso Pharma is simultaneously preparing its entrance into the Medical Cannabis field with its Ritual Green Product line from the Creso Canada licensed cultivation and production site.



John Griese, Creso's COO said: "In addition to the Nutraceuticals and Animal Health business we are excited to enter the Medical Cannabis field with our Ritual Green product line. Our Nova Scotia facility is one of the best in the country, built to GMP standards and in the process of gaining EU- GMP approval. This pharmaceutical grade facility will provide Creso with a strong competitive advantage for the domestic and international medicinal supply of dried flower, oils and edible cannabis products".

Dr. Miri Halperin Wernli Creso's CEO and Co-Founder said: "All our premium products will be introduced globally, as we seek to meet growing demand and advance the availability and development of alternative health and wellness solutions. One of Creso's strongest capabilities is our therapeutic science. We combine our own expertise with contributions from world-class biomedical scientists, clinical researchers and medical professionals. We know how chemicals and human chemistry interact, and we are passionate about utilizing hemp and cannabis plant ingredients to deliver the most benefit to humans and animals, everywhere."

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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 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