



ASX Announcement

2 January 2019

**Creso Pharma's Plans Progress as Israel's New Medical Cannabis Export Law Passed by Parliament**

- Israel's Parliament approves law for exporting medicinal cannabis as well as a new regulatory structure to approve foreign ownership of Israeli medicinal cannabis operations
- Creso is well positioned to take advantage of these changes via its 74% stake in a Joint Venture with Israeli-based Cohen Propagation Nurseries Ltd ("Cohen")
- This brings to life Creso's plan to grow and export medical grade cannabis from Israel
- Israel's human capital, research know-how, exceptional skill base and start up mentality underpins enormous opportunities in this field.

**Creso Pharma Limited** (ASX: "CPH", the "Company" or "Creso") is pleased to announce its strategic plan is a step closer with the Israeli Parliament's approval to allow the export of medicinal cannabis from Israel. The new law will allow Israel to participate in the global medicinal cannabis industry once it receives Israeli Cabinet sign off.

Creso is well positioned to take advantage of these changes via its 74% stake in a Joint Venture with Israeli-based Cohen nurseries. The JV will enable Creso to supply cannabis strains previously unavailable from Israeli cannabis producers.

Creso is one of few ASX traded company with operations in Israel and one of only a few Licensed Producers in Canada with access to Israeli strains.

Recently Dr Sanjay Gupta, Chief Medical Correspondent for the Health, Medical and Wellness unit at CNN<sup>1</sup> stated: "Israel is the marijuana research capital of the world."

Israeli Agriculture Minister Uri Ariel said: "The Israeli research conditions for growth in the field precede most of the countries in the world by five to seven years because of progressive regulation."<sup>2</sup>

According to Michael Dor, Senior Medical Adviser at the Ministry of Health's Medical Cannabis Unit, "Right now, there are more than one hundred and ten clinical trials involving cannabis underway in Israel, more than any other country. Many of those studies are funded by the Israeli government."<sup>2</sup>

This wealth of clinical research has resulted in the development of strains designed to treat specific ailments backed by hard research data, which is missing in most medicinal cannabis product claims.

Dr. Miri Halperin Wernli, Creso's CEO and Co-Founder has welcomed the new law and supports Israel joining the leading global export nations of medical cannabis. Said Dr Halperin Wernli:



“Creso plans to access these exciting new proprietary Israeli strains which can also now be exported, either as whole plant or raw genetics to our own internal operations or to external licensed producers.

"The legislation removes the last legal obstacle for medicinal cannabis exports and we look forward to taking advantage of Israel's cutting edge technology and access to high-quality, well researched medicinal cannabis.

“As a vertically integrated cannabis company with CBD products already commercialised and cannabis cultivation soon to start production in Canada as well as Colombia and Israel, Creso's strategy is rapidly coming together to form a powerful enterprise actively participating in the global cannabis market which is projected to reach \$60 billion by 2024.”

Creso is becoming an increasingly bigger global participant in the human and animal CBD supplement market which is expected to exceed \$350 billion by 2024.<sup>3</sup>

Founded in 1958, Cohen is one of the most experienced agricultural companies in Israel and has significant operational know-how and proven capabilities in establishing high scale production greenhouses to international standards. Cohen owns and operates farms across south and central Israel with a total greenhouse capacity of 15.7 hectares / 38.7 acres.



Creso conservatively estimates annual production of up to 2,500 kilograms of high-quality cannabis per year from Cohen once the facility is at full capacity.

Licensed cannabis growers are expected to begin exporting medical cannabis products from Israel by mid-2019. Saul Kaye, CEO of iCAN recently stated: “The worldwide medical cannabis market is estimated to generate \$33 billion dollars over the next five years with Israel expecting to rack up over \$1 billion in export sales. Among the countries reportedly eager to trade with Israel include Australia, Germany, Austria and Mexico.”<sup>4</sup>

In a country known to Wall Street as “Start-up Nation”, Israel is perfectly positioned to expose and take advantage of the growing opportunities in the sector. Importantly, Israel has the human capital,



research know-how, skill base and start up mentality to excel and lead the field. With the new law passing Parliament the way is paved for cannabis to potentially become as important to Israel's economy as technology.<sup>1</sup>

## Ends

- 1 <https://www.thegrowthop.com/cannabis-health/cannabis-medical/israeli-legislation-paves-the-way-for-exporting-medical-cannabis-in-2019>
- 2 <https://mjbizdaily.com/israeli-parliament-approves-medical-cannabis-exports/>
- 3 <https://www.brightfieldgroup.com/post/hemp-cbd-market-to-reach-22-billion-by-2022-outpacing-the-rest-of-the-cannabis-market-combined>
- 4 <https://www.forbes.com/sites/irisdorbman/2018/12/26/israeli-lawmakers-approve-law-to-export-medical-cannabis/#511bf3fb6806>

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## About Creso Pharma

[www.cresopharma.com](http://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 Cohen Propagation Nurseries Limited

Cohen Propagation Nurseries is a family business, established in 1958. Located in the centre of Israel and spread over 3 different farms in Kfar Hanagid, Gderot and Nir Hen the company employs a 550 highly trained staff working across a total greenhouse area of 15.7 hectares.

Cohen's products are famous for their high quality, sterility and hygiene and are supplied with a special quality certificate from Israel's Ministry of Agriculture Plant Protection and Inspection Services. Cohen has been exporting cuttings for both bedding and basket plants since 1979.



### **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.