



ASX Announcement

8 December, 2016

Creso subsidiary fulfils second shipment of hemp protein to one of the Slovakia's largest bakeries to meet consumer demand for “superfood”

Highlights:

- **Creso subsidiary Hemp-Industries (HI) experiencing strong demand for its hemp seed products to feed consumer demand for “superfood”**
- **HI fulfils second shipment of hemp protein to one of the largest bakeries in Slovakia, Pekárne Liptovský Hrádok, s.r.o. (PLH)**
- **HI’s protein is used by PLH to produce several top-quality protein bar products, which are sold in large grocery chains like Tesco and Kaufland**
- **HI is PLH’s main distributor of hemp protein**
- **This second shipment of 700kg follows the first shipment of 500kg of hemp protein in mid-August**
- **Hemp seeds are experiencing an increase in demand in the food, food supplement, health and sport markets**
- **Hemp Industries continues to generate revenues for Creso Pharma**

Creso Pharma Limited (ASX: CPH, the “Company”) is pleased to announce that its subsidiary Hemp-Industries s.r.o. (HI) has successfully delivered its second shipment of hemp protein to one of the largest bakeries in Slovakia, Pekárne Liptovský Hrádok, s.r.o. (PLH).

This second shipment of 700kg of hemp protein follows the first shipment of 500kg of hemp protein in mid-August. The hemp protein is used by PLH to produce several top-quality protein bar products, which are sold in leading grocery chains like Tesco, Kaufland and others.

HI is anticipating growing demand for its product from PLH due to increasing public awareness of the health benefits of hemp seeds, which are regarded as the next big thing in the “superfood” industry for its high content of amino acids, omega acids, protein and other beneficial substances.

Superfood is a term used to describe foods with high nutritional and health benefits. The global superfood industry is estimated to be worth around US\$130 billion, according to research by Global Industry Analysts¹; while research firm Technavio is forecasting that the global hemp-based food market will expand at a compound annual growth rate (CAGR) of around 20% through to 2020².

“We are very pleased with the market reception of Hemp Industries’ new protein product line and we believe we are in a very strong position to become a market leader in the supply of hemp protein in the region,” said Creso Pharma Executive Chairman, Boaz Wachtel.



“The market potential for hemp protein sales in the EU is significant, and the current revenues generated by Hemp-Industries’ CBD product line, CBDium, is now augmented by additional revenues from the sale of the new Hemp Protein product line.”

¹ <http://www.esmmagazine.com/superfood-grains-and-ingredients-one-to-watch-for-2015/8846>

² http://www.technavio.com/report/global-food-global-hemp-based-foods-market-2016-2020?utm_source=T2&utm_medium=TNSite&utm_campaign=Media

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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 nutraceutical 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.

About Pekárne Liptovský Hrádok, s.r.o.

The history of Pečivárne Lipt. Hrádok Company goes back to 1939, when there was founded company under the name TATRANKA. Wafers, biscuits, vanilla and cinnamic sugar were made here. Traditional production of Pečivárne Lipt. Hrádok s.r.o. Company has been given new dimensions since the beginning of its existence. Large investments into production of biscuits, wafers and chocolate icing enabled to supply the market with the new quality products. Prescriptions and manufacturing processes of our products go out of traditional prescriptions.

Nowadays, the company produces wide range of sweet biscuits and wafers in traditional prescriptions and quality in product series Nature Line, Tatry Line, Protein Line and Cannabis Line.



Important place in manufacturing program has been taken by DIA products (DIA biscuits, DIA wafers, diabetic – celiac products, DIA whole meal products). For a long time, the company has produced whole meal products enriched with folacin, different kinds of seeds (flax, sunflower, sesame seed, chia, hempen), dry fruits (dates, plums, blueberries, cranberries, rowanberries, black currants, ginger). Traditional round biscuits are made whole meal, oaten, spelt, without sugar and wheat free.

We intensively deal with production and development of products which are intended for people who suffer of celiac disease. These products are made of wheat free materials. In selection are biscuits and wafers marked with logo CELIHOPE. They are mainly made of buckwheat, amaranth and corn flour.

In series NATURE LINE, we produce the range of whole meal products also suitable for diabetics and people with celiac disease. The products contain different herbs (milk thistle, the flower and fruit of devilwood, ginger etc.), fruit (cranberries, dates, plums, black currants, blackberries), whole meal and spelt flour. We also use different seeds (chia, flax, sesame seed, hempen, sunflower etc.)

With a view to growing occurrence of lactose intolerance in adults and children, we produce several sweet, diabetic and whole meal products without lactose and eggs. To reach high quality of products, there is control system HACCP, and we are holders of certificate “International Food Standard” (IFS). Nowadays, we export our products into states like Yemen, Poland, Hungary, Romania and Czech Republic.

In 2014, we are introducing the series on the base of hempen proteins and cannabis. At the same time, there will also be introduced products containing enhanced amount of proteins and reduced content of fat, sugar and saccharides. These products will be introduced under the name Cannabis Line and Protein Line.

website: <http://www.pecivarne.sk/en>