



ASX Announcement

14 February, 2017

Creso achieves solid progress with first fully plant-based CBD nutraceutical product for human health

Highlights:

- **Innovative CBD fully plant-based nutraceutical product designed to support the management of anxiety and stress.**
- **A nutraceutical is a naturally nutrient-rich pharma grade standardised food or dietary supplement that you eat or drink in order to strengthen and maintain good physical and mental health.**
- **Anxiety and stress are important markets for Creso, worth around \$US3.5 billion in 2015¹.**
- **Product is delivered via Creso's proprietary and innovative buccal delivery technology (absorption via the lining of the cheek) which ensures a standardised dose and formulation, as well as high absorption and enhanced bioavailability of cannabidiol (CBD).**
- **Creso's product offers an innovative alternative therapeutic option designed to enhance improved mental focus and stress reduction while avoiding gastrointestinal side effects and addiction dependency.**
- **It will be available over-the-counter (OTC) without a doctor's prescription.**
- **Pilot production will start in Q2 2017 and following stability testing, Creso will move into full-scale production and regulatory submission to health authorities.**
- **Full commercial launch expected in 1H2018.**

Creso Pharma Limited (ASX:CPH, the "Company") is pleased to announce that it has achieved significant progress with its first human CBD fully plant-based nutraceutical product, with the Company expecting pilot production to commence in Q2 2017.

Creso's first CBD nutraceutical product will provide people with nutritional support to their endocannabinoid system to manage situations of everyday anxiety and stress. The body of evidence supporting CBD as an effective treatment in anxiety is particularly strong. Other CBD products on the market are sub-optimal as they are not pharmaceutical grade and there is a lack of proper standardisation both in terms of dosage and formulation. Alternative synthetic treatments for anxiety and stress are mainly benzodiazepines, which have a problematic safety profile. By offering an innovative nutraceutical alternative, Creso aims to reduce the misuse of these drugs.

¹Source: IMS Health, MIDAS, December 2015.



Anxiety and stress are important markets for Creso, estimated to be worth around \$US3.5 billion as of 2015 and is forecast to grow².

The endocannabinoid system regulates a number of physiological processes in humans such as cardiovascular, digestive, immune and nervous system functions. The health of individuals is dependent on the endocannabinoid system functioning at optimum levels.

Creso's product is designed to be taken in conjunction with a healthy diet and exercise to optimise up-regulation (the process of increasing a response to a stimulus) of the endocannabinoid system to help individuals cope with situations of everyday stress. It will be available over-the-counter (OTC) without a doctor's prescription.

The product provides an innovative alternative therapeutic option designed to enhance mental focus and reduce stress via a standardised dose and formulation and with high bioavailability and absorption.

The product will be delivered via Creso's unique and innovative buccal delivery technology (via the inside lining of the cheek) which ensures more effective delivery and absorption of CBD. Buccal absorption allows the phyto nutrients to be delivered directly into the blood stream via the rich blood vessels in the mouth, avoiding the solubility and absorption problems common to pills and capsule products which are delivered via the gastrointestinal tract.

Following pilot production, Creso plans stability testing starting in July 2017 before moving into full-scale production and regulatory submission to health authorities. The Company has developed a strong branding and marketing plan ahead of the expected commercial launch of the product in the first half of 2018. The initial launch will be in Switzerland, followed by key European and Latin American countries.

"We are very pleased with the achieved significant progress of our first CBD full-plant nutraceutical product for human health. For healthy individuals, supplementing the endocannabinoid system with our CBD full-plant product is an excellent way to maintain optimal health in times of physiological and psychological stress," said Creso Pharma CEO and Co-Founder Dr. Miri Halperin Wernli.

"Through up-regulation of our natural endocannabinoid system, our CBD nutraceutical product will provide significant support for physical health and the management of anxiety and stress of everyday life, promoting better mental health and alertness and strengthening focus and cognition."

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²Source: IMS Health, MIDAS, December 2015.



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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 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.