



## ASX Announcement

20 December 2018

### **Creso's Strategy Plays Out as Hemp in the United States of America is being removed from the Controlled Substances Act**

**Creso Pharma Limited** (ASX: CPH, the "Company" or "Creso") is pleased to announce it now has the opportunity to introduce its global CBD derived brands cannaQIX®, anibidiol® and cannaDOL® to the United States of America's ("US") human and animal health markets following the removal in that market, of hemp, from the Controlled Substances Act ("CSA").

Over the past few years, Creso has established itself as a pharmaceutical grade, CBD nutraceutical and animal health company with its innovative CBD products now sold internationally. Creso now has a significant market opportunity in the US with its CBD brands.

Jonathan Miller, General Counsel to the U.S. Hemp Roundtable, wrote in a two-page summary, when commenting on the conference committee report released on 10th December 2018 by the House and Senate on the Farm Bill, "The era of hemp prohibition is over...hemp is now permanently removed from the Controlled Substances Act (CSA). It is forever deemed an agricultural commodity, no longer mistaken as a controlled substance, like marijuana." This removal of hemp prohibition presents a remarkable and timely opportunity for Creso and its CBD branded products.





The bill has passed the US Senate as well as the House and is expected to be signed imminently by President Trump after which it will become law. It includes far-reaching provisions that lift the ban on hemp and for the first time amends a major drug law that had not changed in fifty years. It will authorize hemp production and research as well as amend the CSA to allow hemp derived products to be sold in the US market.

John Griese, Creso's Chief Operating Officer said, "Creso are delighted with the change in laws regarding hemp in the US and have been strategically planning our market entrance and product development feeling confident that this day would eventually arrive".

Creso is led by a team of pharmaceutical and business professionals with deep expertise in commercializing nutraceuticals and therapeutical products across diverse markets giving Creso a competitive advantage in manufacturing quality, dosage controlled products.

As a vertically integrated cannabis company with CBD products and cannabis cultivation soon to start production in Canada as well as Colombia, Creso is imminently poised to participate in the cannabis market, projected to reach \$60B by 2024, as well as its current participation in the human and animal supplement market, itself expected to exceed \$350B by 2024.<sup>1</sup>

### **Creso's CBD Hemp-Derived Products**

- cannaQIX® is a buccal lozenge in a proprietary delivery technology which enhances the absorption of CBD and comes in a variety of dosages. It is currently sold in Switzerland, the UK and the Netherlands through pharmacies and in New Zealand as medicinal cannabis prescribed by physicians.
- anibidiol® in a proprietary granule formulation comes in various doses for a range of small and large animals and is sold through veterinary networks in seventeen countries around the world.
- cannaDOL® is a new topical ointment with CBD and selected essential oils and is intended for use by athletes to help alleviate pain and inflammation. The blend of CBD and additional ingredients is unique to Creso Pharma.



## **The Hemp Farming Act**

The Hemp Farming Act of 2018 amends the status of hemp (less than 0.3% THC) under US federal law, by removing its status as a Schedule 1 controlled substance, and instead classifying it as an agricultural commodity. This new Farm Bill would focus the already booming hemp-derived CBD market with analysts expecting the total CBD industry in the U.S. to top \$22 billion over the next four years. According to Brightfield Group, the industry would grow from its current size of US\$590 million to over US\$22 billion by 2022.<sup>2</sup>

Ends

## **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.

## **Forward looking statements**

This announcement contains forward-looking statements with respect to Creso, and its 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 "opportunity" or "potential" 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 any obligation to update such statements except to the extent required by applicable laws.

1. <https://www.brightfieldgroup.com/post/hemp-cbd-market-to-reach-22-billion-by-2022-outpacing-the-rest-of-the-cannabis-market-combined>
2. <https://www.grandviewresearch.com/press-release/global-legal-marijuana-market>



**Investor and Media Enquiries:**

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