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Creso signs agreement with DHS for entrance into the Brazilian retail market with its CBD products

- **Creso signs a commercial distribution agreement with DHS Business International to enter the retail market with its CBD products**
- **DHS specialises in healthcare markets and commercialisation initiatives and has a solid base of established in-country networks and operations in the USA, Africa and Portugal as well as Brazil**
- **Initial launch markets include Sao Paulo, Rio de Janeiro and Parana – Creso estimates this provides an addressable market of 14m consumers and over 4,200 points of sale**
- **Agreement will significantly strengthen Creso’s presence in Brazil and complements current ‘name patient’ operations**

Creso Pharma Limited (ASX:CPH) (‘Creso Pharma’ or ‘the Company’) is pleased to advise that it signed a commercial agreement with DHS Business International (“DHS”) for distribution of the Company’s CBD products into the Brazilian retail market.

The development follows the latest change in policy from the Brazilian National Health Regulatory Authority (“ANVISA”), which enables the sale of CBD products without THC to be sold through retail channels in the country.

DHS was established in 1991 and is involved in strategic consulting and commercialisation operations in healthcare markets. The DHS group offers solutions to companies in the health and wellness space that are seeking expansion in Brazil.

DHS has an extensive network in Latin and North America, as well as operations in Africa and Portugal. Creso will seek to leverage DHS’ extensive network and established reputation to drive sales growth through these regions.

Under the agreement, Creso and DHS will offer several CBD products to retailers and consumers, including the CannaQIX® product range, which is produced by GMP facilities and is Swiss made. The Company believes the products will be well-received by end users and this will underpin sales growth.

The parties are targeting 60% of the retail network in across Sao Paulo (population: 12m), Rio de Janeiro (population: 6m) and Parana (population: 11m). This would provide Creso with over 4,200 points of sale across three major areas in Brazil. Initially, Creso will target the working and ageing populations in these areas, which provides an estimated target market of 14 million consumers.

The agreement considerably strengthens Creso’s global footprint and complements existing operations in the country undertaken via the patient name initiative with SIN Solution and SR Group.

Creso and DHS will continue to work on implementation plans with the aim to make products available through retailers by Q4 2020.



Image one: CPH CBD oil (right) and CannaQIX® products (left)

Management Commentary

Creso Pharma's CEO and Co-Founder Dr. Miri Halperin Wernli, commented: "Signing an agreement with DHS so quickly after the ANVISA policy change highlights Creso's quick thinking and ability to capture opportunity on an international scale.

"DHS has extensive experience and strong partnerships throughout Brazil and Latin America more broadly. These markets have very large populations and provide a large opportunity for the Company in the coming months.

"We look forward to working with DHS to ensure our products are brought to market as quickly as possible. The Company will provide ongoing updates to shareholders as developments progress."

-Ends-

Authority and Contact Details

This announcement has been authorised for release by Miriam Halperin Wernli, CEO and Managing Director of Creso Pharma Limited.

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About Creso Pharma

Creso Pharma Limited (ASX:CPH) 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 Pharma uses GMP (Good Manufacturing Practice) 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. To learn more please visit: www.cresopharma.com

About DHS

DHS is active in the healthcare markets since 1991 and involved in strategic consulting and commercialization operations in Brazil, Latin America, USA, Africa (Angola) and Portugal.

DHS is a global solution provider for companies in the Health and Wellness market, looking to expand Brazilian company business and better support the foreign companies targeting business through their Latin & North America network.

Among the local and international customers count ICU Medical Inc., Elcam Medical, Medcaptain Medical Technology, Co, Grupo MPR, BSAF de Oliveira, Forever Wireless Ltd., Allplats Ltda, Eurospes, 4W Sites Ltda., for whom DHS is providing planning, management, product registration, distributor prospecting and selection, forecasting, trade negotiations, and operational support for Brazilian and International business.

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.