



14 April 2021

Commercial agreement with Cannabis Queen strengthens Creso Pharma's presence in Africa and expand its topical product portfolio

Deal expands Creso's product distribution network to 3,100 combined points of sale across Europe and Africa

Highlights:

- **Bilateral commercial agreement with Cannabis Queen, South Africa for marketing and distribution of its topical and CBD tea products in Africa**
- **Creso Pharma to market and distribute Cannabis Queen Anti-Aging Serum 30ml and Argan & Cannabis Hair Treatment 50ml in Switzerland and Europe**
- **Creso Pharma to sell the products through its existing distribution network of over 2,100 points of sale including pharmacies, drugstores and retail chains to consumers in Switzerland, with additional European territories earmarked for near term expansion**
- **Cannabis Queen to sell the products to its wholesale and retail network of over 1,000 points of sales**
- **Creso Pharma is well funded to expand proprietary technologies into new verticals, with other value adding initiatives and revenue generating products in human and animal health under development – additional product launches expected shortly**

Creso Pharma Limited (ASX:CPH, FRA:1X8) ('Creso Pharma' or 'the Company') is pleased to announce that it has signed a bilateral commercial agreement with Cannabis Queen, South Africa to market and distribute Creso's cannaDOL topical line and cannaQIX® tea range in African countries ("Agreement"). As part of the Agreement, Creso Pharma will also market and distribute Cannabis Queen's Anti-Aging Serum 30ml and Argan & Cannabis Hair Treatment 50ml products in Switzerland and Europe.

Cannabis Queen is a skin care company based in Johannesburg, South Africa. The group was established in May 2019 following the decision from South Africa's Department of Health which made cannabidiol available for consumer use in the country.

Cannabis Queen became one of the first companies of its kind in South Africa and is now focused on delivering top quality products to market. Cannabis Queen has a range of CBD-based topical products that are made from full-spectrum CBD oil and advanced formulas with enriched botanicals. All raw materials are locally and ethically sourced and the group's products have been shown to be more highly effective than competitor's products.

The Agreement is non-exclusive on either party, and has an initial term of one year ("Initial Term") which will automatically renew after one year ("Renewal Term"), unless:

- a) either party notifies the other of their decision to not renew the agreement within 90 days prior to the expiry of the Initial or Renewal Term; or
- b) the parties do not enter into a further definitive agreement on or before 30 September 2021.



As part of the Agreement, Cannabis Queen will market and distribute CannaDOL and Creso Pharma's recently launched CBD based products (refer ASX announcement: 1 April 2021) through multiple channels including its established online store, direct to consumer sales, retail distributors, specialist wellness shops, beauty salons and spas and pharmacies.

Creso Pharma's CBD-based tea products have been introduced under the CannaQIX® brand and include cannaQIX® tea, cannaQIX® NITE tea and cannaQIX® Immunity tea.

The Agreement provides Creso Pharma with an established footprint into the African market and, significantly de-risks the launch of new products the Company brings to market.



cannaDOL 0.5%, 1% 100ml cannaQIX® Tea cannaQIX NITE tea cannaQIX® Immunity

Creso Pharma will also market and distribute Cannabis Queen's Anti-Aging Serum 30ml and Argan & Cannabis Hair Treatment 50ml products in Switzerland and Europe. Both products include ethically sourced South African essential oils, making them effective and attractive to consumers.



Anti-Aging Serum 30ml



Argan & Cannabis Hair Treatment 50ml

The Cannabis Queen Anti-Aging Serum 30ml is an all in one facial serum formulated to revitalize the skin. The product is intended to increase cell turnover, resurface the skin, and reduce breakouts while keeping inflammation at bay. The texture of a serum makes it much easier for the skin to absorb unlike other heavier creams and lotions. The combination of these essential oils and CBD leaves the skin more radiant.



Argan & Cannabis Hair Treatment 50ml is also infused with CBD and essential oils. The unique properties of essential oils combined with CBD stimulates hair growth and prevents hair loss with visible effects. Continued use will assist in activating and protecting follicle stem cells in order to produce stronger hair, with increased density and volume.

Creso Pharma has an established distribution footprint of over 2,100 points of sale across in Switzerland that it will target to sell and distribute Cannabis Queen products. These include pharmacies, pharmacy networks, drugstores, health nutrition shops and large retail groups including leading department store chain Manor. Creso also supplies all major wholesalers in the country including Galexis, Amedis and Voigt.

Management Commentary

CEO Swiss International Operations, Jorge Wernli, said: *“We are very proud to be able to market and distribute our topical products in the African continent with Cannabis Queen, South Africa. The group has an established footprint and reputation, which we will be able to leverage to drive growth and increase visibility in a strategic and emerging market.”*

“This agreement also represents a meaningful strategic complementation of the current Cannamics (cannaQIX®) business with our very successful partner Pharma Dynamics South Africa.”

“We also look forward to initiating marketing and distribution initiatives for the Cannabis Queen skin and hair products further optimising the Company’s high quality value proposition to our end-customers”

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Authority and Contact Details

This announcement has been authorised for release by the Chairman of Creso Pharma Limited.

For further information, please contact:

Investor Enquiries

EverBlu Capital

E: info@everblucapital.com

P: +61 2 8249 0000

Released through:

Ben Jarvis, Six Degrees Investor Relations: Ph: +61 (0) 413 150 448

About Cannabis Queen

The Cannabis Queen skin care company was established in May 2019 after the Department of Health announced the historic decision of making the cannabis derivate cannabidiol available for consumer use in South Africa. Being one of the very first CBD skin care companies of its kind in South Africa the company is constantly on a quest for top-class quality, the product design and manufacturing methods are all done in house using only the best quality ingredients that occur naturally. The raw materials are sourced locally considering ethical conditions. The products have been reported as being highly effective as topicals and unique compared to other CBD products, because of their use of full-spectrum CBD oil as well as advanced formulas enriched with botanicals. Created for South Africans by a South African woman, Cannabis Queen aims to be the expert in the CBD skin care market and offer the best



competitive prices. Their collection of specialized CBD-infused hair & skin care products are designed to suit every customer's budget and skin care routine. Cannabis Queen is passionate about the benefits of CBD in general and in skin care specifically. The company believes in 100% Natural, Paraben-free products and environmentally friendly packaging. www.cannabisqueen.co.za

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

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.