



26 November 2020

Update on TGA reclassification of CBD

- **TGA decision regarding amendments to down schedule cannabidiol (CBD) products to schedule 3 medicine expected in late December 2020ⁱ**
- **Schedule amendment would allow Australian consumers to purchase CBD products following consultation with a pharmacist without the need for a prescription**
- **Unlocks a large market opportunity for Creso Pharma – Australian market estimated to be worth upwards of A\$200mⁱⁱ**
- **Creso remains well funded to capitalise in Australian market following final decision**

Creso Pharma Limited (ASX:CPH, FRA:1X8) ('Creso Pharma' or 'the Company') advises that the Therapeutic Goods Administration's (TGA) final decision regarding a major regulatory change in the distribution of cannabidiol (CBD) products in Australia is expected in late December 2020.

The final ruling will follow the interim decision, made on 9 September 2020, which recommended CBD products be down scheduled from schedule 4 and classified as schedule 3 medicines in Australia. This would allow Australian consumers to purchase CBD products over-the-counter (OTC) through pharmacies without the requirement of a prescription.

The potential down scheduling of CBD products in Australia unlocks a major market for Creso Pharma's CBD and hemp products. It is estimated that the local market is currently at over \$200m per annum and growing.

Creso's cannaQIX® 50 is currently being sold in Australia as a medicinal cannabis product under the 'LozaCan' brand via distribution partner 'Burleigh Heads Cannabis' (BHC). Further, the Company has developed a wide range of CBD and hemp-oil products under the cannaQIX® brand, using its proprietary and innovative delivery technology which it expects to sell in Australia following any favourable decision.

The cannaQIX® range is manufactured under Good Manufacturing Practice standards and provides consumers with a standardised formulation and precise dosage measurement.

Non-Executive Chairman Adam Blumenthal said: *"The potential down scheduling of CBD is a major development for the broader market and provides Creso Pharma with a number of opportunities and potential new sales channels."*

"Australia has always been considered an important market in our growth strategy. Ahead of the TGA's final decision, the Board and management have been exploring initiatives which will allow us to capture a large market share in Australia and unlock value for our shareholders."



"The Company remains well capitalised and looks forward to providing ongoing updates on progress."

-Ends-

Authority and Contact Details

This announcement has been authorised for release by Adam Blumenthal, Non-Executive Chairman.

For further information, please contact:

Investor Enquiries

Ben Jarvis – Six Degrees
T: +61 2 9230 0661
E: ben.jarvis@sdir.com.au

EverBlu Capital
E: info@everblucapital.com
P: +61 2 8249 0000

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.

ⁱ <https://www.tga.gov.au/scheduling-decision-final/notice-final-decisions-amend-or-not-amend-current-poisons-standard-november-2020>

ⁱⁱ <https://www.miragenews.com/tga-to-make-low-dose-cbd-available-over-counter/>