



11 December 2020

## Heads of Agreement to unlock Australian market

### Highlights:

- **Agreement with leading health products company Martin & Pleasance to supply cannabidiol products to the Australian and New Zealand market upon CBD legalisation**
- **Martin & Pleasance is focused on new and emerging natural products – it has established online sales channels and distribution partners in Australia, NZ, the UK and Canada**
- **Agreement follows the TGA interim decision regarding amendments to down schedule CBD products to schedule 3 medicines – final decision expected in coming weeks<sup>1</sup>**
- **Provides Creso Pharma with a framework to enable Creso to respond quickly to a favourable TGA decision and access the Australian market**
- **Martin & Pleasance directly service over 4000 Pharmacies across Australia**

**Creso Pharma Limited (ASX:CPH, FRA:1X8) ('Creso Pharma' or 'the Company')** is pleased to advise that it has entered into a Heads of Agreement ("HOA") with leading natural, sustainable health and lifestyle brand supplier Martin & Pleasance Pty Ltd ("Martin & Pleasance" or "M&P") ([www.martinandpleasance.com](http://www.martinandpleasance.com)) to capitalise on opportunities in the Australian market.

Martin & Pleasance was established over 150 years ago and provides an extensive range of natural remedies and medicines to consumers. The group is 100% Australian owned and operated and focuses on pioneering new and emerging products. M&P's leading brands include, Harmony women's health range, Ki-Immune range, Vital Nutritional Products, Schuessler Tissue Salts, Zen Joint & Pain relief, He Men's health, a comprehensive range of brands targeting consumers through various lifestyle stages and health conditions.

M&P has an extensive field force directly servicing over 4,000 Pharmacies across Australia and New Zealand in addition to its online channels, grocery and practitioner suppliers. The company also has direct interests in Canada and the UK servicing key customers in the natural and mass channels with their brands.

Under the non-binding agreement, the parties have confirmed their intention to negotiate and enter into a formal binding and exclusive Collaborative Agreement on or before 30 April 2021 under which it is envisaged that Creso Pharma will manufacture a range of cannabidiol ("CBD") products in Switzerland, which would be then sold under new and existing Martin & Pleasance brands in Australia and New Zealand. Creso Pharma has earmarked four products from the Company's proprietary nutraceutical range in lozenge and tea form, which are all manufactured in a GMP certified compliant facility.



The agreement follows an interim decision from the Therapeutic Goods Administration (“TGA”) to down schedule CBD products to schedule 3 medicine (refer ASX announcement: 26 November 2020). The interim decision would permit medicines containing at least 98% CBD and which are entered on the Australian Register of Therapeutic Goods (ARTG) to be provided by pharmacists to adults aged 18 years and over without the need for a prescription. Entry into the proposed Collaborative Agreement remains subject to the outcome of the TGA’s final decision, which is expected in the coming weeks.

The HOA can be terminated upon either party giving written notice at any time prior to the execution of a Collaborative Agreement.

The agreement sets a framework for Creso Pharma to respond quickly to a favourable TGA decision and access the Australian CBD market.

**Non-Executive Chairman, Adam Blumenthal said:** “The planned down scheduling of CBD products in Australia paves the way for Creso to introduce its unique and sophisticated range of GMP products and capitalise on what is expected to be a large market opportunity.”

“Martin & Pleasance have a leading reputation in Australia, as well as established sales channels which would directly benefit Creso Pharma. We are excited to jointly develop this opportunity with them and expect our products to be very well received by consumers.”

**Richard Holyman, CEO of Martin & Pleasance said:** “We are very excited to work closely with Creso Pharma, and benefit from their very specific expertise in the hemp/CBD product areas and manufacturing of innovative delivery models.”

**-Ends-**

#### **Authority and Contact Details**

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

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#### **Investor Enquiries**

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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](http://www.cresopharma.com)

### **About Martin & Pleasance**

For over 150 years Martin & Pleasance has pioneered an extensive range of natural remedies and medicines based on a commitment to Integrity, Quality and Innovation. Proudly Australian owned, the company is focused on bringing to market, new and emerging products whilst always maintaining the highest standards combined with a dedicated commitment to managing our environmental footprint in packaging and ingredients. The company employs approximately 140 people across a vertical infrastructure including manufacturing, distribution, sales and marketing.

Martin & Pleasance continues to invest in and strengthen its traditional brands, which have built the company's foundations. With consumer health and environmental preservation being its top priorities, Martin & Pleasance is committed to providing premium products, which combine both traditional and scientific knowledge. It uses only the best raw materials, the highest manufacturing standards and maintains a steadfast commitment to providing customers with quality, efficacious products. To learn more please visit: [www.martinandpleasance.com](http://www.martinandpleasance.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.

### **Released through:**

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<sup>1</sup> <https://www.tga.gov.au/scheduling-decision-final/notice-final-decisions-amend-or-not-amend-current-poisons-standard-november-2020>