



15 December 2020

TGA decision to reschedule CBD unlocks Creso's Australian market entry

Highlights:

- **Therapeutic Goods Administrations (TGA) releases final decision to down-schedule low dose cannabidiol (CBD) products from Schedule 4 to Schedule 3**
- **Decision allows for CBD products approved by the TGA containing a maximum of 150mg/day of CBD to be sold over the counter to consumers without a prescription**
- **Creso Pharma is well positioned to respond quickly to this favourable decision, with existing CBD products ready to ship to the Australian market**
- **Existing Heads of Agreement with Martin & Pleasance provides Creso Pharma with a pathway to access an established distribution network of over 4,000 pharmacies in Australia and New Zealand**

Creso Pharma Limited (ASX:CPH, FRA:1X8) ('Creso Pharma' or 'the Company') is pleased to advise that the Therapeutic Goods Administration (TGA) has today announced a final decision to down-schedule low dose cannabidiol (CBD) preparations from Schedule 4 (Prescription Medicine) to Schedule 3 (Pharmacist Only Medicine)ⁱ.

The landmark decision will allow low-dose CBD containing products, up to a maximum of 150 mg/day, for use in adults that have been approved by the TGA, to be supplied over-the-counter by a pharmacist, without a prescription. The decision limits over-the-counter supply to only those products that are approved by the TGA and included on the Australian Register of Therapeutic Goods (ARTG). The decision also outlines additional limits on dosage form and packaging requirements, including pack size and child resistant closures.

Creso Pharma has an existing portfolio of CBD products that are currently available in Australia by prescription, including cannaQIX® 50 which is sold under the 'LozaCan' brand. Creso will immediately explore the requirements to sell this product, as well as the Company's other GMP manufactured ranges, more broadly to Australian consumers.

The TGA decision will also allow Creso Pharma to expedite its 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) to bring Creso Pharma's suite of cannabis-based products to the Australian market, as announced on 11 December 2020.

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 products in Switzerland, which would be then sold under new and existing Martin & Pleasance brands in Australia and New Zealand. Products expected to be sold include the Company's proprietary nutraceutical range in lozenge and tea form, which are all manufactured in a GMP certified compliant facility.

Non-Executive Chairman, Adam Blumenthal said: "Today's decision by the TGA is a major step forward for the Australian market, which we expect to grow rapidly in the near term.

"Australia has always been of considerable focus for Creso Pharma and the Company has been actively establishing its footprint through existing relationships in the country that it can leverage immediately. An example of this is our agreement with Martin & Pleasance, which we will now progress as quickly as possible to unlock value for our shareholders.

"We look forward to providing ongoing updates on our growth in Australia, as well as other key marketing including Europe and North America in the coming weeks."

-Ends-

Authority and Contact Details

This announcement has been authorised for release by the Chairman 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 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

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.

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ⁱ <https://www.tga.gov.au/media-release/over-counter-access-low-dose-cannabidiol>