



ASX Announcement

21 May 2018

**CRESO PHARMA SIGNS AGREEMENT TO COMMERCIALISE cannaQIX® IN BELGIUM, NETHERLANDS
AND LUXEMBURG
First Purchase Order Placed**

Highlights:

- Creso Pharma signs a commercial agreement with Mediphos OTC Consumer Health BV Netherlands for the marketing and distribution of its unique CBD human health nutraceutical product cannaQIX® in the Benelux
- First purchase order with a value of 40,000 CHF (A\$53,277) has been placed concurrent with the signing of the agreement
- The agreement follows the approval by KOAG/KAG, The Dutch Council for Monitoring of health products, to market cannaQIX® in the Netherlands
- The launch and distribution of cannaQIX® is planned for Q3 2018 in the Netherlands

Creso Pharma Limited (ASX:CPH, the “Company” or “Creso”) is pleased to announce it has signed a commercial agreement with Mediphos OTC Consumer Health BV, a Dutch company, to market and distribute its CBD hemp-based human nutraceutical product cannaQIX® in the Benelux region (Belgium, the Netherlands, and Luxembourg). The first purchase order for cannaQIX® with a value of 40,000 CHF (A\$53,277) has already been placed at the time of signing the agreement. This agreement follows a successful, revenue generating launch of cannaQIX® in Switzerland and Lichtenstein and the pending launch in the UK.

Creso Pharma has obtained the required approvals to market cannaQIX® by KOAG/KAG, the Dutch Council for monitoring of health products in the Netherlands. CannaQIX has been developed to reduce stress and to support mental and nervous functions.

The launch will initially take place in the Netherlands. The OTC (over the counter) market in the Netherlands reached €789million in 2016 and is growing at 5% per annum. Food supplements, like Creso’s cannaQIX® made up approximately 20% of total OTC salesⁱ

Dr. Miri Halperin Wernli, Creso Pharma’s CEO and co-founder said: “We are really excited to enter the Benelux countries with Mediphos OTC Consumer Health which is a young, flexible and innovative company. There is a great fit with Creso Pharma and we anticipate a very successful collaboration and commercialization of cannaQIX® in the Benelux”.



Andre van der Mark, the founder and CEO of Mediphos stated: “We are looking forward to partnering with Creso Pharma, and have already placed our first order with them. Creso Pharma is known for its high quality, pharma grade innovative products like cannaQIX. It is a good fit for the portfolio strategy of Mediphos OTC Consumer Health, with brands positioned in carefully selected niche markets and categories for consumers treating minor ailments.”

The launch is planned for Q3 2018 in the Netherlands.

About cannaQIX®



The cannaQIX® range of products are CBD hemp-based nutraceuticals using Creso’s proprietary innovative delivery technology. They contain full spectrum organic hemp extract with CBD, vitamins and zinc, aiming to reduce stress and to support mental and nervous functions.

The proprietary QIX-technology based delivery system contains capsicum, which accelerates the blood circulation in the mouth enhancing the buccal sublingual delivery of the CBD, vitamins and zinc into the bloodstream. The product is safe, well tolerated, non-euphoric, non-addictive and sugar free. The standardized, user-friendly strength and formulation allows precise dosage control, ensuring a reliable and stable effect over several days.

The cannaQIX® range has been developed to Good Manufacturing Practice standards and is produced in Switzerland by Creso’s partner, Swiss-based food and pharma development company, Domaco, Dr. med Aufdermaur AG (Domaco) to the highest Swiss quality with a “Swiss Made” label.

With cannaQIX®, Creso Pharma offers consumers a safe and effective certified Food Supplement with CBD, with broad market reach and without the need for medical prescriptions.



About Creso Pharma

www.cresopharma.com

Creso Pharma brings pharmaceutical expertise and methodological rigor to the cannabis world and strives for the highest quality in its products. It develops cannabis and hemp de-rived therapeutic, nutraceutical, and life style products with wide patient and consumer reach for human and animal health. Creso uses GMP 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.

About Mediphos OTC Consumer Health BV, The Netherlands

<http://www.mediphos-otc.com>

Mediphos OTC Consumer Health BV, located in Renkum The Netherlands, belongs to the Mediphos Group BV, one of the largest independent and privately owned company distributing in- vitro diagnostics for human- and veterinary use in the Benelux. Mediphos OTC Consumer Health intends to become a mid-sized consumer healthcare company, offering qualitative and sustainable healthcare solutions for consumers, who want to treat themselves in case of minor ailments with own- and third party brands in designated niche markets. Mediphos is ISO 9001:2015 certified to guarantee the quality and service throughout the distribution channel, from manufacturer to consumer.

About Domaco, Dr. med Aufdermaur AG

www.domaco-pharma.com

Domaco, Dr. med Aufdermaur AG is a Swiss-based food and pharma development company that owns the rights to a number of innovative delivery systems used to administer active ingredients through galenic forms which is a way of preparing and compounding medicines in order to optimize their absorption.

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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Media and Investor Queries

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ⁱ Association of the European Self-Medication Industry 2016