



ASX Announcement

02 August 2018

Creso Pharma strengthens its market presence in Israel and the Middle East through commercial agreement with SuperMedic to launch and commercialize the cannaQIX® range of products

Highlights:

- **Creso Pharma signs a commercial agreement with SuperMedic for the marketing and distribution of its unique human health nutraceutical product cannaQIX® and other nutraceutical products in Israel and in a number of Middle East countries.**
- **SuperMedic is a sales and marketing organisation for food supplement products with an active sales force in the relevant territories and will act as importer and distributor.**
- **cannaQIX® is a unique standardised nutraceutical product in a proprietary delivery formulation that contains organic, full-spectrum hemp extract with CBD, vitamins and zinc. Creso will make some modifications to the composition of cannaQIX® in order to comply with the regulations in Israel and the other territories.**
- **The agreement includes the granting of exclusive rights to the territories to SuperMedic, conditional to agreed yearly minimum order targets.**

Creso Pharma Limited (ASX:CPH, the “Company” or “Creso”) is pleased to announce it has signed a commercial agreement with SuperMedic, based in Israel, to market and distribute its hemp-based, human nutraceutical product cannaQIX® and other nutraceutical products in Israel and in a number of Middle East countries.

The first line of products will be based on hemp seed oil in order to comply with the Israeli regulations. Creso has reached an agreement with SuperMedic that the commercialization will begin with a product that meets the Israeli regulations in order to raise awareness of the cannaQIX® brand. Once the CBD regulatory status changes, SuperMedic will switch to cannaQIX® with its original formulation. Each product will be sold under Creso’s cannaQIX® brand with the option for SuperMedic and/or its customers to co-brand.

Dr. Miri Halperin Wernli, Creso Pharma’s CEO and co-founder said: “We are really excited to commercialize cannaQIX® in Israel with SuperMedic. This is an important milestone for Creso as it provides us with a strategic foothold and frontline exposure to one of the worlds most developed medical cannabis countries and opens the door for Creso for wider commercialization across the Middle East.”

Zion Yedid, SuperMedic’s CEO said: "SuperMedic constantly offers the most advanced and innovative product portfolio to our markets. We are very pleased with the agreement with Creso Pharma. We believe with Creso's innovative products and our established distribution channels cannaQIX® will be a market leading brand in its segment."

This marketing and commercial effort will give Creso Pharma an opportunity to establish a strong presence for its products in new markets.



Israel is known for its research and development capabilities in the field of medicinal cannabis. The regulatory reform in Israel, which now allows for pharmacies to sell medicinal cannabis products, creates a strategic opportunity for Creso to access the market with the cannaQIX® brand first and later to extend this to the delivery of THC-based products as regulations evolve.

The commercial agreement with SuperMedic follows the strategic binding agreement of Creso with Cohen Propagation Nurseries Limited (“Cohen”) in Israel. Under the agreement, the partners will establish and incorporate a joint venture (“Joint Venture”) to operate a medicinal cannabis growing facility in Israel.

About cannaQIX®



The cannaQIX® range of products for the Israeli market are hemp seed oil-based nutraceuticals using Creso’s proprietary innovative delivery technology. They contain full-spectrum organic hemp seed oil with vitamins and zinc.

Hemp seed oil is rich in protein, polyunsaturated fatty acids, omega 6 and omega 3, and will support immunity, cardiovascular health and counteract ageing skin.

The proprietary QIX-technology based delivery system contains capsicum, which accelerates the blood circulation in the mouth enhancing the buccal delivery of all the active ingredients 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 and SuperMedic will offer consumers a safe and effective certified Food Supplement with broad market reach and without the need for medical prescriptions.



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About Creso Pharma

<https://www.cresopharma.com/>

Creso Pharma 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 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 SuperMedic

SuperMedic Ltd. is an Israeli private company, founded in 1996 with vast experience in importing and marketing of pharmaceuticals, vitamins, minerals, nutritional supplements and natural cosmetics. SuperMedic's products are marketed in a wide distribution network throughout Israel. SuperMedic has a marketing team which is composed of skilled and experienced professionals. Zion Yedid the founder of Super Medic is proudly associated with well-known vitamins, minerals and supplements brands in Israel and across the Middle East.

About Domaco, Dr. med Aufdermaur AG

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 optimise 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.