



ASX Announcement

13 February 2019

Creso signs a strategic collaboration agreement with Hempmate AG Switzerland to strengthen its presence in European countries

Highlights

- Creso and Hempmate AG, Zürich Switzerland sign a strategic collaboration agreement for the co-development and commercialisation of Creso's products in Europe
- Creso and Hempmate will both benefit from a product portfolio and global commercialisation synergistic enlargement
- This is in line with Creso's and Hempmate's shared strategy to establish strong foothold in European countries
- First products to be launched in Q2 2019

Creso Pharma Limited (ASX: CPH) (the "Company" or "Creso") is pleased to announce a strategic collaboration agreement with Hempmate Zürich AG for the co-development and commercialisation of Creso's products in Europe ("Agreement").

The Agreement covers a number of product co-development initiatives, addressing the unmet needs in Europe in the area of CBD hemp products supporting anxiety /stress, chronic pain and sleep.

Hempmate is a Swiss-based company which specialises in the sale of hemp-based products for humans and pets, with online distribution channels across Switzerland, Germany, and other key EU countries.

Hempmate will provide Creso with access to new commercialisation opportunities via Multi Level Marketing approaches beyond the currently used pharmaceutical and drug store channels in selected European countries.

First new products under the strategic collaboration have already been developed and are planned to be launched in Q2 2019 in selected key European countries (Germany, UK, France, Italy, Spain).



The European CBD market is one of the largest markets worldwide, with strong forecasted growth rates over the next 10 years. CBD has exploded in popularity over the past few years thanks to its wide-ranging therapeutic and health benefits and absence of psychoactive effects. Indeed, the global CBD oil market accounts for the major share of the global legal cannabis industry, which is the parent market for the CBD oil segment. As legal and regulatory barriers are being removed and consumer education spreading across the world, market analysts estimate that the global CBD industry market will grow to close to \$2 billion by 2022. The CBD market is primed for expansive growth across its three primary sectors, hemp-derived CBD, marijuana-derived CBD and pharmaceutical CBD and it is projected that by 2022, each of these three sectors will account for approximately one-third of the total market¹.

Creso's Co-founder and CEO Dr. Miri Halperin Wernli said: "We are very much looking forward to engaging in this strategic collaboration with Hempmate AG which will allow both companies to benefit from each other. On the one hand both companies complement their product portfolios, and on the other hand, Creso will benefit from an increased access to new commercialisation channels in several European countries. This is line with Creso's and Hempmate's strategy to establish a strong foothold in Europe".

Hempmates' Co-founder and CEO Alex Braun said: "This is a great opportunity for both companies to combine product assets and expertise in pursuit of a shared strategy to bring premium quality CBD products to Europe. We are excited to engage in this collaboration, which we see as a very promising win win."

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About Creso Pharma

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 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.

¹ Cannabidiol Industry Gets High, Expected to Hit \$2 Billion by 2022

<https://www.thestreet.com/markets/cbd-industry-expected-to-hit-2-billion-by-2022-14683940>

**About Hempmate AG (www.hempmate.com)**

Headquartered in Switzerland and founded in 2017 driven by professionals who are passionate about hemp and its benefits. The company produces and sells hemp-based products for humans and pets, with a focus on premium CBD products. The current range includes high quality CBD oils as well as CBD flowers and are distributed online across Switzerland, Germany, and other key EU countries.

The company is privately owned with an estimated share > 10% of the direct sales CBD market in selected countries in Europe. Hempmate has its major strengths in sales and distribution. All products have been confirmed compliant with local laws.

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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