



ASX Announcement

14 August 2018

Creso Pharma signs commercial agreement with Dr. A. & L. Schmidgall GmbH & Co KG of the Hedoga Group to commercialize cannaQIX® in Austria and targeted Eastern and Northern European countries

Highlights:

- **Creso Pharma signs commercial agreement with Dr. A. & L. Schmidgall GmbH & Co KG of the Hedoga Group to commercialize its CBD based human health nutraceutical cannaQIX® in Austria and targeted Eastern and Northern European countries**
- **Dr. A. & L. Schmidgall GmbH & Co KG is a Pharmaceutical OTC sales and marketing company with a portfolio of well known brands sold in Austrian Pharmacies**
- **cannaQIX® is a unique standardised nutraceutical product in a proprietary delivery formulation that contains organic full spectrum hemp extract with CBD, vitamins and zinc**
- **cannaQIX® aims to reduce stress and to support mental and nervous functions in humans**

Creso Pharma Limited (ASX:CPH, the “Company” or “Creso”) is pleased to announce it has signed a commercial agreement with Dr. A. & L. Schmidgall GmbH & Co KG (“Schmidgall”) of the Hedoga Group based in Vienna, Austria, to launch and market its CBD hemp-based human nutraceutical product cannaQIX® and further products in Austria and targeted Eastern and Northern European countries.

cannaQIX® has been developed to help reduce stress and to support mental and nervous functions.

The launch will be implemented under the Creso brand.

Founded in 1925, Schmidgall is a traditional Austrian family business and a member of the Hedoga Group, which sells pharmaceutical, nutritional and cosmetic products worldwide. Schmidgall has a professional pharmaceutical sales force which offers a range of pharmaceutical, nutritional and cosmetic products to over 1,350 pharmacies in Austria. Schmidgall also has active distribution partners in several export countries worldwide focusing on Eastern and Northern Europe.

Dr. Miri Halperin Wernli, Creso Pharma’s CEO and co-founder said: “We are really excited to commercialize cannaQIX® in Austria with Dr. A. & L. Schmidgall GmbH & Co KG and we are looking forward to expanding with them to other markets in Europe, such as the Eastern European and Nordic countries.



Manfred Schafler, CEO of Dr. A. & L. Schmidgall GmbH & Co KG said: “We see cannaQIX® as a great and innovative opportunity to strengthen our position in the Austrian market and look forward to supplying cannaQIX® in our export markets as well”.

This marketing and commercial partnership further enables Creso Pharma to access markets where its presence is not yet established.

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 and Dr. A. & L. Schmidgall GmbH & Co KG will offer consumers a safe and effective certified Food Supplement with CBD, with broad market reach and without the need for medical prescriptions.

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About Creso Pharma

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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-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 Dr. A. & L. Schmidgall GmbH & Co KG and the Hedoga AG Group

The Hedoga Group offers products resulting from intensive research and development and meet the highest quality standards. We believe in improving our existing product range and continuously introducing state-of-the-art new products. Some well known Hedoga brands include Osa, Osanit, Carmol, Carmolis and Bloc. The Hedoga Group includes Iromedica AG in St. Gallen and Dr. A. & L. Schmidgall GmbH & Co. KG in Vienna.

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.

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