



10 September 2020

Creso welcomes TGA reclassification of CBD

- **Interim decision by the TGA to amend the current Poisons Standard to down schedule cannabidiol (CBD) products to schedule 3 medicine allows greater access for consumersⁱ**
- **Schedule amendment would allow Australian consumers to purchase CBD products following consultation with a pharmacist without the need for a prescription**
- **Unlocks a large market opportunity for Creso Pharma's CBD and hemp products – Australian market estimated to be worth upwards of A\$200 Millionⁱⁱ**
- **Creso Pharma will pursue a number of initiatives in the Australian market to unlock value for shareholders**
- **Creso will bring its proven 'go-to-market' strategy to Australia to cater for the new market, which has been successfully rolled out in numerous jurisdictions**

Creso Pharma Limited (ASX:CPH, FRA:1X8) ('Creso Pharma' or 'the Company') is pleased to advise that the Therapeutic Goods Administration (TGA) has released its interim decision regarding a major regulatory change in relation to the status of cannabidiol (CBD) products in Australia.

The interim decision recommends that CBD products be down scheduled from schedule 4 and classified as schedule 3 medicines in Australia. This would allow Australian consumers to purchase CBD products over-the-counter (OTC) through pharmacies without the requirement of a prescription.

The decision follows recommendations from the National Advisory Committee on Medicines Scheduling (ACMS) and Advisory Committee on Chemicals Scheduling (ACCS) – both committees within Australia's TGA. The interim decision will follow a consultation period with a final decision to be reached by 1 February 2021.

This development unlocks a major opportunity for Creso Pharma's CBD and hemp products and the Company will look to progress a number of opportunities to capitalise on a market which is estimated to be valued at A\$200 Million and set to grow rapidly in the near term.

Currently, the Company's cannaQIX® 50 is being sold in Australia as a medicinal cannabis product under the 'LozaCan' brand via distribution partner 'Burleigh Heads Cannabis' (BHC).

Creso Pharma has developed various cannabidiol (CBD) hemp oil-based products in their cannaQIX® range using the company's proprietary innovative delivery technology. The products contain broad spectrum organic hemp oil extracts with CBD and aim at reducing stress and supporting mental and nervous functions.

The cannaQIX® range of products are sugar-free and contain no tetrahydrocannabinol (THC).

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The standardised, user-friendly strength and formulation allows precise dosage control and the lozenges have a more palatable taste compared to oils.

The cannaQIX® range has been developed to Good Manufacturing Practice standards and is produced in Switzerland by Creso Pharma'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.

Management Commentary

Non-Executive Director and Head of Technology, Innovation and Distribution, Miri Halperin Wernli said: *"The down scheduling of CBD products in Australia is an exciting development and provides Creso Pharma with a number of key near term opportunities."*

"We anticipate that the Australian market will play an important role in the Company's growth trajectory and will grow significantly as CBD becomes more accepted and entrenched with consumers."

"Creso Pharma has a large GMP product range and we are confident that the Company's offering would be well received in Australia. Board and management are currently progressing a number of strategies to grow our market shares and we look forward to providing regular updates to shareholders."

-Ends-

Authority and Contact Details

This announcement has been authorised for release by the Board 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 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.

To learn more please visit: www.domaco-pharma.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.

ⁱ <https://www.tga.gov.au/sites/default/files/notice-interim-decisions-proposed-amendments-poisons-standard-acms-and-joint-acms-accs-meetings-june-2020.pdf>

ⁱⁱ <https://www.miragenews.com/tga-to-make-low-dose-cbd-available-over-counter/>

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