



1 February 2021

Creso Pharma welcomes OTC sale of CBD products in Australia

Highlights:

- **Low-dose CBD products can now be sold over-the-counter in Australian pharmacies as of today (1 Feb 2021)**
- **Follows TGA's decision to down schedule low-dose CBD products from Schedule 4 (Prescription Medicine) to Schedule 3 (Pharmacist Only)**
- **Unlocks a market estimated to exceed \$200m per annum¹**
- **Creso is well placed to capitalise through agreement with Martin & Pleasance which provides access to over 4,000 pharmacies across Australia**
- **Collaboration with Martin & Pleasance progressing well, with both parties working to define regulatory pathways and business cases to grow Creso's Australian footprint**
- **Creso anticipated this legislation and regulatory approval and is in a strong position to capture the Australian Market.**
- **TGA regulatory approval is demonstrative of a growing global trend towards relaxation of legislation, making Creso products much more easily accessible to patients.**
- **Creso is also pre-empting further relaxations of cannabis regulations in other jurisdictions globally, including the US, and is advancing discussions with potential distribution and channel partners to position itself as a first mover in the US and other markets, at the appropriate time.**

Creso Pharma Limited (ASX:CPH, FRA:1X8) ('Creso Pharma' or 'the Company') welcomes the introduction of over-the-counter sales of low-dose cannabidiol (CBD) products in Australian pharmacies from 1 February 2021.

The sale of low-dose CBD products was made possible following a decision from the Therapeutic Goods Administration (TGA) to down-schedule low dose cannabidiol (CBD) preparations from Schedule 4 (Prescription Medicine) to Schedule 3 (Pharmacist Only Medicine)².

The decision has led to CBD products containing up to a maximum of 150mg/day, for use in adults that have been approved by the TGA, to be sold by a pharmacist to customers without a prescription. Products must be approved by the TGA and included on the Australian Register of Therapeutic Goods (ARTG).

This is a major development for the Australian medicinal cannabis industry and highlights a large market opportunity that is estimated to exceed \$200 million per annum¹.

¹ Freshleaf Analytics Report: Australian Medicinal Cannabis Market Patient, Product and Pricing Analysis Q3 2020.

² <https://www.tga.gov.au/media-release/over-counter-access-low-dose-cannabidiol>



Creso Pharma is very well placed to capitalise on the growing market opportunity in Australia. The Company has an existing portfolio of CBD products being actively sold in several countries globally, with its flagship CannaQIX® 50 product already available in Australia via prescription, under the LozaCan brand.

The Company has also entered into a strategic Heads of Agreement (“HOA”) with leading natural, sustainable health and lifestyle brand supplier Martin & Pleasance Pty Ltd (“Martin & Pleasance”) (www.martinandpleasance.com) to bring Creso’s suite of cannabis based products to the Australian market (refer ASX announcement: 11 December 2020).

Martin & Pleasance has its own in-house regulatory team and an extensive workforce directly servicing over 4,000 pharmacies in Australia and New Zealand, as well as online channels, grocery and practitioner suppliers.

Creso advises that its collaboration with Martin & Pleasance is progressing very well. Both parties are currently sharing information to progress potential regulatory pathways for low-dose CBD products and defining business cases, which will allow Creso to considerably grow its footprint with Australian pharmacies.

Non-executive Chairman Adam Blumenthal said: “Today is a major milestone for the Australian medicinal cannabis industry, which we anticipate will grow rapidly over the coming months.

“The TGA’s decision to allow the sale of low-dose CBD products to consumers without a prescription provides Creso Pharma with another exciting opportunity to grow in Australia and another potential revenue stream for the Company.

“We will continue to work with Martin & Pleasance to define the specific regulatory pathway for our product in the Australian market and look forward to proving its superiority through the ARTG registration process.

“Creso continues to progress a number of growth initiatives in Australia and internationally and looks forward to updating shareholders as developments materialise.”

-Ends-

Authority and Contact Details

This announcement has been authorised for release by the Creso Board

For further information, please contact:

Investor Enquiries

EverBlu Capital

E: info@everblucapital.com

P: +61 2 8249 0000

Released through:

Ben Jarvis,

Six Degrees Investor Relations:

Ph: +61 (0) 413 150 448

**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

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.