



15 November 2021

Creso Pharma completes integration of ImpACTIVE assets, commences stability testing, international patent protection and trademark applications

- Preparations ahead of launch of Creso ImpACTIVE products to increase North American footprint and broaden the Company's range of leading CBD products
- Stability testing on products commenced – results will underpin ongoing international expansion efforts and add to the growing body of evidence for CBD
- Testing initiatives highlight Creso Pharma's commitment to scientific and evidence-based product development
- Stability testing is expected to highlight a potential 24 month shelf life for products with results anticipated December 2021
- Patent application submitted with the United States Patent and Trademark Office for ImpACTIVE 'Topical compositions for pain relief' products
- Global market for CBD products in sports set to reach \$22 billion by 2022ⁱ
- IP portfolio strengthened with International Trademark Registration submitted for ImpACTIVE name and branding
- Aims to provide greater brand awareness ahead of initial marketing push and direct consumer launch
- Detailed marketing plan finalised identifying key deliverables to achieve before direct consumer launch
- Expansion of ambassador program set to create broader reach and brand recognition to potential consumers and into new geographical locations
- Tender applications into CVS and Walgreens are currently being progressed, with additional retail stores being pursued
- CVS is America's largest retail chain by number of locations and operates 9,896 retail outlets in 49 statesⁱⁱ
- Walgreens is America's second largest pharmacy store chain operating 9,021 retail stores throughout the USⁱⁱⁱ

Creso Pharma Limited (ASX:CPH, OTC:COPHF, FRA:1X8) ('Creso Pharma' or 'the Company') is pleased to advise that it has completed the integration of Creso ImpACTIVE Ltd's ("Creso Impactive") (refer ASX announcement: 25 October 2021) assets into its product portfolio and also made considerable progress in strengthening its IP position around the new products, as well as commenced stability testing protocols. Ahead of the proposed product launch into the US, Creso Pharma has filed an application with the US Patent and Trademark Office (USPTO), international trademark registration and developed a detailed marketing and sales plan.



The assets of Creso ImpACTIVE Ltd have allowed the Company to significantly strengthen its range of leading CBD products and will provide additional opportunities to strengthen Creso Pharma's North American footprint.

Stability testing underway:

The Company has commenced stability testing protocols on the ImpACTIVE product suite. Stability testing provides evidence on how the quality of a drug substance or product varies over a given time period, under the influence of environmental factors including temperature, humidity and light.

The initiative will test the products over an allotted time period, with results anticipated during December 2021. It is anticipated that the testing and subsequent results will highlight a 24-month shelf life on the products, an increase on the current 12 months, add to Creso Pharma's understanding of the product, highlight the Company's commitment to a scientific-based approach to product development and will assist with ongoing international expansion efforts.

US Patent application:

The patent application with the USPTO aims to provide future protection for the innovative CBD products developed by the Company. The patent titled "Topical compositions for pain relief" has been filed in line with the Company's imminent US market entry.

The health benefits of various cannabinoids are fast becoming an acceptable and reliable alternative treatment for reducing muscle and joint inflammation for the athletic community. Creso ImpACTIVE's products and the basis of the patent is for the convenient delivery of these useful cannabinoids for fast pain relief.

It unlocks a market opportunity for Creso Pharma and will provide a catalyst for further innovation and greater sales uptake into the region. Globally, the total market is estimated to reach US\$22 billion by 2022, with Canada accounting for US\$22 million aloneⁱ.

International trademark registration:

The international trademark registration aims to strengthen Creso Pharma's IP and enhances the Company's brand recognition. A total of 6 trademarks have been filed with the World Intellectual Property Organization (WIPO) and the Canadian Intellectual Property Office over the product suite of the assets of Creso ImpACTIVE Ltd.

If granted, the trademarks will protect the ImpACTIVE brand name and logo.

Detailed marketing and sales plan to drive revenue growth:

Ahead of the Company's direct consumer launch scheduled for early 2022, Creso ImpACTIVE have finalised the development of a detailed marketing plan. The plan includes a number of key deliverables, which will allow the Company to establish and expand the Company's brand, industry reach and products.

Amongst the number of marketing strategies developed, a key focus has been on the inclusion of a planned ambassador recruitment program. The Company is currently working alongside a number of leading, well-known brand ambassadors including fourteen-year professional hockey veteran Mark Fraser and professional hockey player Pheonix Copley (refer to images below), as well as retired professional hockey player, Matt Barnaby and professional Canadian football player, Nathaniel Behar. The expansion of the ambassador program is set to increase the Company's reach across potential ImpACTIVE customers in key geographic locations.



Creso ImpACTIVE is also in advanced discussions with a number of high-profile North American sports names. It's crucial that the athlete's brought on board align with ImpACTIVE's brand values to ensure a sincere belief in the benefits of the products and brand vision. The Company expects to be able to announce its new brand ambassadors in the near-term.

Additional developments:

With product approval achieved in the RangeMe system, tender applications for Creso ImpACTIVE's products have been submitted into CVS and Walgreens and are being progressed. Collectively, CVS and Walgreens have over 20,000 retail locations across the United States and UK and average more than \$400 billion in gross revenue^{iv}. Successful applications into these stores would provide the Company with a fast, efficient and scalable launch of the ImpACTIVE product range.

Creso Pharma is also actively progressing discussions with additional retail outlets via RangeMe and other platforms to achieve greater uptake. Outlets that use the RangeMe and other such platforms includes Whole Foods, PetCo, Target, GNC and Safeway amongst others.



Images: ImpACTIVE marketing collateral and pro hockey brand ambassadors Mark Fraser & Pheonix Copley

Commentary:

Non-executive Chairman, Mr Adam Blumenthal said: *"It's encouraging to see the ImpACTIVE team make such rapid progress in such a short amount of time. The advancement we are making highlights our push to go ahead with the planned direct consumer launch early next year, and based on the recent milestones we are anticipating to achieve our goal."*

"The acquisition of the assets of ImpACTIVE was a major development for Creso Pharma as we saw significant potential based on the product suite and the strength of the management team. It also highlights our ongoing commitment to an imminent US market entry particularly ahead of our potential"



NASDAQ dual listing. As our first acquisition to that effect, it is pleasing to see the progress being made and the integration being a seamless one.

"I look forward to continuing to work with the ImpACTIVE team in order to further advance the Company and start to scale up sales into a growing market."

-Ends-

Authority and Contact Details

This announcement has been authorised for release by the Board of Directors 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

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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.brightfieldgroup.com/post/cbd-worth-22-billion-by-2022>

ii <https://cvshealth.com/about-cvs-health/our-company-at-a-glance>

iii <https://web.archive.org/web/20160404155415/http://news.walgreens.com/fact-sheets/store-count-by-state.htm>

iv <https://cvshealth.com/news-and-insights/press-releases/cvs-health-reports-results-2020-q4> &

<https://www.macrotrends.net/stocks/charts/WBA/walgreens/financial-statements>