

12 February 2018

Creso appoints medicinal cannabis expert as International Business Development Executive

Highlights:

- **Medicinal cannabis industry expert, Amit Edri has been appointed as International Business Development Executive.**
- **He brings extensive medicinal cannabis industry expertise to the role that will be invaluable as Creso continues to expand its global operations.**
- **Mr Edri was most recently COO at Israel's largest medicinal cannabis company, The Bazelet Group.**
- **He will be responsible for business development initiatives, including growing Creso's presence in the Israeli medicinal cannabis market.**

Creso Pharma Limited (ASX:CPH, the “Company” or “Creso”) is pleased to announce that it has appointed Amit Edri to the new role of International Business Development Executive.

Mr Edri brings extensive medicinal cannabis industry expertise to the role and was most recently COO at Israel's largest medicinal cannabis company, The Bazelet Group. Bazelet processes the cannabis grown at four of Israel's eight legal medicinal cannabis operations and supplies product to 10,000 patients each month.

Mr Edri also had a distinguished career in the Israeli military, gaining the rank of Captain with the Israeli Special Air Force Unit.

In his role, Mr Edri will be responsible for business development initiatives, including growing Creso's presence in the Israeli medicinal cannabis market.

“We are very happy to have appointed a professional of this calibre to the Creso global team. He brings extensive expertise to Creso in the medicinal cannabis industry, covering both strategy and operations. His experience will be invaluable as we continue to expand our global medicinal cannabis footprint as well as the ongoing commercialisation of our human and animal health products,” said Creso Co-Founder and Chief Executive Officer, Dr Miri Halperin Wernli.

Israel is world renowned for its quality Medicinal Cannabis research, production standards and governmental support of the sector. During the last 10 years the national Medicinal Cannabis program, through 8 authorised growers, supplied Medical Grade Cannabis to over 30,000 patients. Recent Israeli governmental decisions to open all stages of the value chain to competition is attracting multi-national companies seeking advanced production and research capacity and export venue of finished products to global markets when exports are approved. Due to its reputation, Israeli growers and processors are charting strategic relationships in key players and markets such as Canada and the EU. Israeli presence for Creso represents significant advantages and synergy with Creso's global expansion and vertical integration strategy.

Corporate Update

In December 2017, the Company issued a total of 3,142,774 shares to unrelated parties being Asenna Wealth Solutions Pty Ltd, TAC Professional Services Pty Ltd, DHJPM Pty Ltd, MFCM Nominees Pty Ltd and 153 Fish Capital Pte Ltd (**Advisors**) for corporate advisory, marketing and business development services provided in relation to the Company's Placement (as announced on 1 December 2017). The shares were issued under the Company's 15% Placement Capacity pursuant to Listing Rule 7.1, as per the Appendix 3B lodged on 1 December 2017 and pursuant to the Advisor mandates set out below.

The Company advises that formal mandate agreements have been entered with the Advisors to provide ongoing services to the Company as follows:

The Company engaged Asenna Wealth Solutions Pty Ltd in March 2017 for a one year term, to provide marketing and promotional services to potential investors. Pursuant to the engagement agreement, the Company issued to Asenna Wealth Solutions Pty Ltd 1,000,000 fully paid ordinary Shares in the Company at a deemed issue price of \$1.10 per Share, as consideration for the services.

The Company engaged TAC Professional Services Pty Ltd for a 12 month period (commencing June 2017) to act as a business development and marketing advisor to explore and strategically evaluate funding opportunities for the Company. In consideration of TAC acting as the Company's advisor during the term of the agreement, the Company agreed to pay a 12 month retainer of \$1,375,000 plus GST as 1,250,000 ordinary Shares priced at \$1.10 (excluding GST to be paid in cash).

MFCM Nominee Services Pty Ltd was engaged on 28 November 2017, for a period of two years, for business development and corporate services with particular expertise and focus in the Asian region (predominantly the Indonesia market) to develop opportunities and investor interest in medical marijuana businesses and assets. The Company agreed to pay a Consultancy fee of \$550,000 through the issue of 500,000 Shares at \$1.10 (excluding GST to be paid in cash).

153 Fish Capital Pte Ltd was engaged on 1 July 2017 (for a period of 6 months as extended by mutual consent) to assist the Company to find investment 'leads'. Under the engagement agreement, the Company agreed to pay 500,000 Shares to 153 Fish Capital Pte Ltd as a finder's fee.

DHJPM Pty Ltd was engaged for business development and corporate services. In consideration of these services, the Company issued DHJPM Pty Ltd 100,000 Shares.

The Company has also entered into an agreement with Everblu Capital Pty Ltd (Everblu) for a period of 18 months commencing on 1 July 2017. Everblu was engaged to introduce and assess potential opportunities for the Company including potential acquisitions, collaborations and opportunities in other jurisdictions, as well as exploring dual listing opportunities for the Company on exchanges other than the ASX. In exchange for these services, subject to approval of shareholders, the Company will grant the following securities to Everblu (the terms of which will be set out in a notice of meeting):

- (i) 1,800,000 Performance Rights which vest on the first of the following to occur:
 - (i) the expiry of a period of 6 months from the date of the grant of the Performance Rights; and
 - (ii) the Company's Share price on the ASX exceeds A\$1.00 for 5 consecutive days.



- (ii) 1,800,000 options (exercisable at \$1.00 on or before the date which is three years from the date of issue)

In addition to the performance rights and options, the Company will also pay to Everblu the following amounts: a monthly marketing and corporate advisory fee of A\$10,000 (Plus GST); for each capital raising via equity or debt during the term of the Agreement, the Company agrees to pay to EverBlu a fee of 4% (plus GST); and for managing and marketing each capital raising via equity during the term of the Agreement, the Company agrees to pay EverBlu a fee of 2% (plus GST). Everblu is a related party by virtue that Creso's non-executive director Adam Blumenthal is Chairman of Everblu Capital. The issue of the above securities to Everblu will require shareholder approval under Listing Rule 10.11

The Company has also proposed to issue performance rights to members of the Board, subject to receipt of the appropriate shareholder and ASX regulatory approvals. The Company will keep the market updated in this respect as appropriate.

-ENDS-

Investor Enquiries:

Gabriella Hold
Media + Capital Partners
M: 0411 364 382
E: gabriella.hold@mcpnpartners.com.au

Media Enquiries:

Susannah Binsted
Media + Capital Partners
M: 0448 895 553
E: susannah.binsted@mcpnpartners.com.au

Corporate Queries:

EverBlu Capital
Level 39, Aurora Place
88 Phillip Street, Sydney, NSW 2000
E: info@everblucapital.com
P: +61 2 8249 0000



About Creso Pharma

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.