



1 April 2022

Commercialisation LOI secured with Laboratorios Brouwer to broaden LATAM market sales footprint

Highlights:

- **LOI with Laboratorios Brouwer and Medara S.A. to progress the commercialisation and sale of Creso Pharma's *anibidiol*® products for Latin American market**
- **Initial target countries include Argentina, Chile, Perú, Brazil, Colombia and Mexico**
- **Laboratorios Brouwer is a leading manufacturer and supplier of products for animal health and animal nutrition for companion animals and livestock**
- **The group commercialises over 150 products to ISO and GMP certifications, has 600 product licenses, considerable manufacturing capacity and distributor relationships**
- **Commercialisation for sale into new territories is planned to occur in H2 CY2022**
- **Expansion is expected to open up a significant additional market potential for Creso Pharma's animal health business**

Creso Pharma Limited (ASX:CPH, OTC:COPHF, FRA:1X8) ('Creso Pharma' or 'the Company') is pleased to advise that it has signed a non-binding, non-exclusive Letter of Intent ("LOI") with Laboratorios Brouwer ("Brouwer") and the Company's Latin American representative, Medara SA. to progress the commercialisation and sale of *anibidiol*® products in the region including Argentina, Chile, Perú, Colombia and Brazil. Under the LOI, Medara S.A. will support the Company and Brouwer in the importation, marketing and sale of Creso's products.

Brouwer is a leading manufacturer and supplier of products for animal health and animal nutrition for companion animals and livestock. The group is based in Buenos Aires, Argentina and has branches throughout Chile, Perú, Costa Rica, Colombia, Brazil and Mexico. Brouwer manufactures and commercialises over 150 products covering all types of animal drug and nutrition needs under GMP and ISO certifications, has 600 product licenses, considerable manufacturing capacity and relationships with distributors in 20 countries across Latin America, the US, Asia and the Middle East.

Under the agreement, Creso Pharma will work with Brouwer and Medara S.A. to progress the commercialisation and manufacturing of its suite of *anibidiol*® products for sale across Latin America. Discussions regarding product formulation, importation requirements and the acquisition of raw materials are underway. The Company expects that commercialisation and sale into the new territories will commence during H2 CY2022.

Pursuant to the LOI, the parties have agreed to enter into a formal Commercial Services & Supply Agreement on or before 30 July 2022 ("Expiration Date"), setting out the terms upon which Brouwer and Medara S.A. will import and distribute Creso Pharma's *anibidiol*® products in South America ("Commercial Agreement"). The initial term of the LOI will run until the Expiration Date and is intended to be replaced by the terms of the Commercial Agreement, unless either parties notify the other of their decision not to pursue with the Distribution Agreement on or before the Expiration Date.



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The LOI is expected to increase the Company’s exposure to the large, addressable market in Latin America. It is estimated that there are 187 million pets in Latin America, which represents a growth of 17% in the pet population since 2017. The side of the Latin American Companion Animal Healthcare Market (including nutritional supplements) is estimated at a value of US\$1.84Bn in 2022 and estimated to reach US\$2.47Bn by the end of 2027 with a growing potential of 6.12% during the forecast period 2022 to 2027¹. Creso Pharma will also leverage Brouwer’s access to over 50,000 veterinarians in the intended target markets to drive potential sales growth.

Commentary:

Creso Pharma CEO and Managing Director, Mr Will Lay said: “Latin America is a highly attractive region for the Company to operate in. As outlined above, we believe there are substantial growth expectations and it boasts a very favorable regulatory environment across the animal health sector.

“We are confident that this LOI will provide the Company with extensive expertise and manufacturing knowledge to progress long term sustainable growth across the Latin American region.”

Creso’s Commercial Representative for LATAM, Medara S.A.’s Jorge Giribone said: “With Brouwer, Creso is building up a promising new partnership with a strong leading Animal Health company to penetrate further the Latin American countries. We are very proud to start this promising venture.”



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Authority and Contact Details

This announcement has been authorised for release by the Disclosure Committee of 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 lifestyle 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 Medara S.A.

Medara is Creso Pharma's commercial representative for LATAM countries. Medara is based in Uruguay and works with commercial partners with strong presence in a number of LATAM countries.

Medara has the networks at industrial, distributors and retail levels to support Creso in all Latin American countries.

About Laboratorios Brouwer

Laboratorio Brouwer is a leading manufacturer and supplier of products for animal health and animal nutrition for companion animals and livestock. It is based in Buenos Aires, Argentina, with branches in Chile, Perú, Costa Rica, Colombia, Brazil and Mexico, and distributors in a total of 20 countries across LATAM, the US, Asia and the Middle East. It manufactures over 150 products in its state of the art plant in Buenos Aires, for all types of animal drug and nutrition needs with GMP and ISO certifications. To learn more please visit: <https://brouwer.com.ar/en/>

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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.

¹ <https://www.marketdataforecast.com/market-reports/la-companion-animal-health-care-market>