



30 June 2022

## **Heads of Agreement secured with leading pharma and healthcare products company, China Chemical & Pharmaceutical Co., Ltd. (“CCPC”) to launch Sierra Sage Herbs LLC (“SSH”) products for Taiwanese animal healthcare market**

### **Highlights:**

- **Creso Pharma secures non-binding, non-exclusive Heads of Agreement (“HoA”) with China Chemical & Pharmaceutical Co., Ltd. (“CCPC”) (1701.TW)**
- **This HoA provides potential for access to the rapidly growing Taiwanese animal healthcare market and underpins Creso Pharma’s international expansion**
- **CCPC is focused on innovation, research & development, and manufacturing of pharmaceutical and healthcare products for use in humans and animals**
- **CCPC is a publicly traded company on the Taiwan Stock Exchange, with a market capitalisation of over A\$321M<sup>i</sup>**
- **CCPC has a dedicated animal healthcare division and sales team which works directly with veterinarians throughout Taiwan**
- **Products to be selected from the Sierra Sage Herbs range with initial focus on SSH’s innovative, plant-based Animal First Aid**
- **HoA has the potential to provide scope for Creso Pharma and CCPC to expand the range of current and future products for collaboration**
- **Creso Pharma and CCPC are working towards establishing a Collaborative Agreement on or before 31 August 2022, unless extended by agreement between the parties**
- **Taiwan has a growing petcare market – spending on pet care related products, which rose from US\$283.2m to US\$402.9m in 2019<sup>ii</sup>**

**Creso Pharma Limited (ASX:CPH, OTC:COPHF, FRA:1X8) (‘Creso Pharma’ or ‘the Company’)** is pleased to advise that it has secured a non-binding, non-exclusive Heads of Agreement (“HoA”) with leading pharma and healthcare products company, China Chemical & Pharmaceutical Co., Ltd. (“CCPC”) for the introduction of Sierra Sage Herbs LLC products to the Taiwanese animal healthcare market. The HoA intends to broaden Creso Pharma’s international exposure and provides the Company with an established in-country partner to potentially drive sales growth.

Founded in 1952, China Chemical & Pharmaceutical Co., Ltd. is a publicly listed company (1701.TW), with a market capitalisation of ~A\$321M<sup>i</sup>. The company is dedicated to innovation, research and development, and manufacturing of pharmaceutical and healthcare products for use in humans and animals. CCPC has its own in-house sales team directly servicing veterinary clinics with animal medications throughout Taiwan.

Under the HoA, the parties have agreed to enter into a Collaborative Agreement on or before 31 August 2022 (“Expiration Date”), with the parties being able to extend this timeframe by mutual agreement (“Collaborative Agreement”). The HoA can be terminated upon either party giving

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written notice at any time prior to the execution of a Collaborative Agreement. There has been no consideration set between the parties under the HoA.

This Collaborative Agreement is intended to set out the terms upon which Creso Pharma and CCPC will:

1. *Commercialise select products from Creso Pharma's target acquisition company, Sierra Sage Herbs' (SSH) pet care product range in the Taiwanese market.*

The initial focus will be on SSH's Animal First Aid product.

2. *Explore further commercialisation options for current and future innovative products.*

Product interest extends to Animal Pain Relief, Animal Castile Wash, Bugs Be Gone and potential future innovative products from SSH/Creso Pharma's product development pipeline.

The pet care market presents a market opportunity for Creso Pharma and SSH, due to the increase in more young Taiwanese choosing to own and raise pets instead of having children<sup>ii</sup>. This has led to considerable increased spending on pet care related products, which rose from US\$283.2m to US\$402.9m in 2019<sup>iii</sup>.

#### **About Sierra Sage Herbs Pet Care Products**

**SSH salves** are fundamentally different from other products on the market. SSH's herbs are carefully sourced from organic farmers, with the products' defining characteristic being a lipid-infusion process. Rather than using pre-made extracts, SSH infuses fresh and dried herbs in organic oils over low heat for an extended amount of time to maximise the potency and purity of the products.

**Green Goo Animal First Aid's** powerful formula is fortified with calendula, yarrow, and comfrey to help soothe and repair minor wounds. It's portable first aid for all domesticated animals.



#### **Green Goo Animal First Aid: First SSH product planned for launch in Taiwan**



### Commentary:

**CEO and Managing Director of Creso Pharma, William Lay said:** *“CCPC is one of Taiwan’s leading healthcare companies. Their products are widely used in hospitals and households throughout Taiwan, which has led them to becoming a trusted provider. We’re delighted to collaborate with such a great partner on developing a brand new market for our animal care products. We view this development as a testament to the broader opportunity we see for the Green Goo range in other international markets.”*

**CEO and Co-Founder of Sierra Sage Herbs Jodi Scott said:** *“Pet parents love our Green Goo products because they are all natural, plant based and highly effective. We’re delighted with the feedback we have received from product evaluations in Taiwan and are grateful for the great work done by CCPC to get us to this stage.”*

**Director of Animal Health Division of CCPC, Jason Wang said:** *“We are delighted to reach this milestone in our collaboration with Creso Pharma. The all-natural Green Goo product range is right on trend with expectations from pet owners in Taiwan and we are committed to maximising the potential of these great products.”*

**-Ends-**

### Authority and Contact Details

This announcement has been authorised for release by the Disclosure Committee of the Board of Directors of Creso Pharma Limited.

For further information, please contact:

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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](http://www.cresopharma.com)

#### About China Chemical & Pharmaceutical Co., Ltd. (CCPC) (1701.TW)

Founded in 1952, China Chemical & Pharmaceutical Co., Ltd. (CCPC) is dedicated to the innovation, research and development, manufacturing, and upgrade of services in the pharmaceutical industry. Since its establishment, CCPC has made numerous advances in the development of generic pharmaceutical and healthcare products for use in humans and animals.

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Widely used in every hospital and family household, the company's advanced medical and health products help ensure better health and quality of life.

The CCPC scope of operations is primarily centered on generic pharmaceuticals. In an attempt to explore global generic markets, CCPC is closely collaborating with its sister companies as an integrated pharmaceutical company. At this point, CCPC's strategy is to provide niche and high manufacturing complexity API/generic drugs and the so-called 505(b)(2) new drugs (such as new route of administration, new derivatives, new use, etc.) to the US market. CCPC's initial attempts are to develop the technology in Asia (some may have already been developed) and then move the technology into the USA and work with its US collaborative partners CMOs and CROs to get regulatory approval. At the same time, CCPC is actively partnering with overseas pharmaceutical companies and wholesalers to market and distribute its niche products in specific territories. To learn more please visit: [www.ccpc.com.tw](http://www.ccpc.com.tw)

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#### **Forward Looking statements**

This announcement contains forward-looking statements with respect to Creso Pharma 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 Pharma 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 Pharma and persons acting on its behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this announcement and Creso Pharma has no obligation to up-date such statements, except to the extent required by applicable laws.

<sup>i</sup> As at 27 June 2022 and based on a TWD to AUD conversion rate of 1 to 0.049 ([CCPC 1701](#))

<sup>ii</sup> <https://topics.amcham.com.tw/2020/02/taiwan-pet-care-economy/>

<sup>iii</sup> <https://topics.amcham.com.tw/2020/02/taiwan-pet-care-economy/>