

ASX Announcement

27 October 2020

Canadian subsidiary, Mernova, receives third purchase order from Nova Scotia Liquor Corporation (NSLC)

- **Purchase order for 20 cases of new Mimosa strain – Mernova’s new value brand launched under the *Ritual Green* range**
- **Mimosa to be listed at C\$35 per 3.5g – very competitive pricepoint unlocks broader market opportunity**
- **Directly complements existing premium strains HPG13 and Lemon Haze – strong sales continue with ongoing positive customer feedback**

Creso Pharma Limited (ASX:CPH, FRA:1X8) (‘Creso Pharma’ or ‘the Company’) is pleased to advise that the Company’s wholly-owned Canadian subsidiary, Mernova Medicinal Inc. (‘Mernova’) a licenced producer in Nova Scotia, has received and successfully delivered its third purchase order (‘PO’) from the Nova Scotia Liquor Corporation (‘NSLC’).

The third PO is for 20 cases of Mernova’s ‘Mimosa’ (15-20% THC, <1% CBD) strain (see Figure 1), which is Mernova’s value brand now launched under the *Ritual Green* brand. The introduction of the strain will allow Mernova to pursue a much larger addressable market, targeting consumers who are seeking premium quality at a more reasonable pricepoint.

This marks the third PO received from the NSLC in the last four weeks, with the two previous orders for the Company’s premium strains, HPG13 (20-25% THC, < 1% CBD), and Lemon Haze (20-25% THC, < 1% CBD) (see ASX Announcements dated 21 September 2020 and 9 October 2020) continuing to sell well.

Creso is very confident that it will continue to receive purchase orders from the NSLC of its Mimosa and premium quality strains, allowing the Company to build on the ~C\$320,000 in revenue it has generated in the last month from the NSLC.

As previously advised, Mernova’s *Ritual Green* products are sold through NSLC stores and e-commerce platform. The additional purchase order serves as further confirmation of the success of the *Ritual Green* brand of high-quality cannabis products in the rapidly growing Canadian retail recreational market.

Mernova continues to make significant inroads into the Nova Scotia recreational market, with its diverse products offering premium quality at a competitive price point. The Company looks forward to updating shareholder on further progress in the near term.

Management Commentary

Mernova Managing Director Jack Yu said: “Securing this additional purchase order from the NSLC is a significant achievement, and further validates the success of the recent *Ritual Green* product launch.”

“Our products continue to garner very positive feedback from customers and we are confident that the Mimosa strain will unlock a large portion of the market that we can capitalise on in the near term.”

“We look forward to updating shareholders on progress in Nova Scotia, additional strain launches under the *Ritual Green* product range, and further orders to be finalised in the near-term.”



Figure 1: Ritual Green Mimosa, 15-20% THC, <1% CBD

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Authority and Contact Details

This announcement has been authorised for release by the Board 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

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.