



16 December 2020

Creso's Canadian subsidiary Mernova secures supply agreement with Ontario Cannabis Retail Corporation

Highlights:

- **Mernova formally selected as a supplier to the Ontario Cannabis Retail Corporation ("OCRC") acting as the Ontario Cannabis Store ("OCS")**
- **Ontario is Canada's largest recreational cannabis market**
- **Ontario's monthly revenues from cannabis sales during September 2020 were C\$77.9m, representing over 30% of Canada's total monthly sales volume**
- **Agreement allows Mernova to sell *Ritual Green* Products through OCS established stores and through the OCS online sales platform – first purchase orders are expected to materialise imminently**
- **This new supply agreement further demonstrates Mernova's strong foothold in Canada and the ability to service the Canadian market**
- **Creso now can meet the global e-commerce trend with online sales available through this agreement. 2020 has shown a massive trend towards e-commerce and we are extremely pleased to be able to service this market.**

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") has secured an agreement with the Ontario Cannabis Retail Corporation ("OCRC"), operating as the Ontario Cannabis Store ("OCS"), formally recognising Mernova as a supplier. This is a major achievement for the Company and highlights Mernova's rapid progress towards having its products available for sale in Ontario, Canada's largest recreational cannabis market.

The Ontario Cannabis Store is a crown agency solely owned by the Province of Ontario. It reports directly to the Ministry of Finance and is Ontario's only retailer and wholesaler of legal recreational cannabis. The group provides legal cannabis to a large customer base through Health Canada authorised suppliers.

Under the agreement, Mernova will supply the OCS with a range of its high quality, indoor grown, hand trimmed, hang dried, cured, artisanal cannabis strains HPG13, Lemon Haze and Mimosa, which will be sold through established stores and through the OCS online sales platform under Mernova's *Ritual Green* Brand. The receipt of the agreement follows an initial notice to purchase from the group (refer ASX announcement: 9 December 2020). Creso Pharma expects purchase orders to materialise imminently.



While volume commitments are yet to be finalised, Creso Pharma anticipates strong sales growth through Ontario. The province is Canada's largest recreational market. In September, sales of regulated cannabis in Ontario totalled C\$77.9m, which is over 30% of the total monthly sales volume generated across Canada (total September monthly sales in Canada: C\$253.6m)ⁱ.

Mernova looks forward to working closely with the OCRC and OCS to progress the sale of its Ritual Green products throughout Ontario. Creso Pharma looks forward to updating shareholders on progress in the near term.

Mernova Managing Director, Jack Yu said: "This is a huge step forward towards selling our high-quality products in Canada's largest market. To be able to compete in a market with over C\$385m in sales between April 2019 and March 2020, which continues to grow, as evidenced by over \$80m in sales this past September alone, is a huge opportunity for us and we look forward to firmly establishing ourselves as one of the premier cannabis producers in the country."

"We look forward to greatly expanding the reach and distribution of our *Ritual Green* products, that more consumers can experience the premium products that Creso Pharma and Mernova have to offer."

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Authority and Contact Details

This announcement has been authorised for release by the Chairman 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.

ⁱ <https://mjbizdaily.com/canadian-legal-marijuana-sales-exceed-ca256-million-in-september/>