

8 August 2022

Creso Pharma's wholly owned Canadian subsidiary Mernova Medicinal Inc. continues to witness uptake of its various Ritual brands

Highlights

- **Mernova delivered products and received purchase orders ("PO") with imminent delivery dates valued at a combined C\$416,340 (A\$465,945ⁱ) during the month of July 2022**
- **Highlights a strong start to the quarter and marks a significant increase to the preceding corresponding period (June unaudited revenue: A\$403,023)**
- **Follows unaudited Q2 quarterly revenue of A\$1,091,434 and should take year to date revenue to over A\$3m (unaudited) for operating division**
- **Growth underpinned by sales of *Ritual Green* cannabis strains and *Ritual Gold* vaporiser products in Ontario, the Yukon, Nova Scotia, Saskatchewan and New Brunswick**
- **Ontario Cannabis Store flow through model continues to generate strong product demand ahead of North American summer months which is usually a busy period for retail**

Creso Pharma Limited (ASX: CPH, FRA: 1X8) ('Creso Pharma' or 'the Company') is pleased to provide the following update on its wholly-owned Canadian subsidiary, Mernova Medicinal Inc. ("Mernova"), which continues to achieve strong uptake of its Ritual brands with provincial partners, underpinning potential sales growth during Q3 CY2022.

During July 2022, Mernova delivered product and secured further purchase orders ("PO") for imminent delivery for a combined total of C\$416,340 (A\$465,945ⁱ). This highlights a significant increase on the previous corresponding period (June revenue: A\$403,023) and marks a strong start to the quarter for Mernova.

This follows the Company's recently reported unaudited Q2 quarterly revenue of A\$1,091,434 (refer ASX announcement: 1 August 2022) and should take the total revenue generated by the Mernova division year to date to over A\$3m (unaudited).

New POs were secured from the Company's provincial partners in Ontario, Nova Scotia, the Yukon, Saskatchewan and New Brunswick. The orders include Mernova's *Ritual Green* cannabis strains, as well as follow on POs for *Ritual Gold* vaporiser products.

Mernova continues to witness pleasing demand from the Ontario Cannabis Store's ("OCS") flow through program (refer ASX announcement: 28 June 2022).

The OCS' flow through program is the recently introduced framework allowing retail outlets in Ontario to submit demand allocations to the province, which then amalgamates these allocations and submits a PO on behalf of all retailers. Additional strains have now been submitted to form part of the program and the Company will provide further updates in due course.

**Commentary:**

CEO and Managing Director Mr William Lay said: *"Mernova has laid a solid foundation for Q3 and H2 2022 sales growth. As we approach the summer months in the northern hemisphere, we anticipate that demand may increase, particularly in Ontario which remains Canada's largest market for recreational cannabis."*

"The Company continues to assess opportunities to increase market share across Canada, including the introduction of new strains, products and potential distribution agreements. We look forward to providing additional updates across the remainder of the quarter in due course."

Corporate Update

The Company also wishes to provide the following update on the status of its OTCQB listing.

Due to the recent trading halt and suspension of the Company's securities on ASX and OTCQB (which together were longer than 4 business days), the Company has been informed that its securities are no longer eligible to be traded on the OTCQB platform. The Company intends to complete the necessary administrative process for its securities to regain eligibility on the OTCQB platform shortly.

-Ends-

Authority and Contact Details

This announcement has been authorised for release by the Disclosure Committee 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 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

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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.

ⁱ Based on a CAD to AUD conversion rate of \$1.12