



28 February 2023

Creso Pharma Reports Strong Financial Performance in FY22

Highlights:

- FY22 group revenue from ordinary activities (excluding other income) increased 39.7% to \$8.7m, up from \$6.2m in FY21
- Adjusted EBITDA loss improved 39.7% from \$29.2m in FY21 to \$17.6m in FY22
- Combination of revenue growth and materially improved adjusted EBITDA demonstrate management's ongoing commitment to simultaneously growing revenues and aggressively reducing costs
- Creso also continued to conduct strategic M&A activities, including the acquisition of Sierra Sage Herbs LLC and the execution of definitive documentation to acquire Health House International
- The Company made several changes to increase the quality and independence of its board, resulting in an increase in independence from 0% at the beginning of FY22 to 42% at the end of FY22
- Moving into 2023, the Company remains focused on continued revenue growth and further reductions in operating expenditures as it pursues profitability at its business units

Management commentary:

CEO and Managing Director, Mr William Lay said: "FY22 marked a strong year for Creso, both financially and operationally. I'm very proud of the hard work of every team member at Creso which allowed us to deliver significantly increased revenue and significantly improved Adjusted EBITDA, simultaneously.

Creso also advanced two strategic M&A initiatives which will position us well for the future. In the United States, the acquisition of Sierra Sage Herbs, LLC provides us with an entrance into the growing US market for plant-based consumer products, while the pending acquisition of Health House International will give us direct access to the attractive Australian medical cannabis market.

As we move into 2023, our core focus remains to grow revenue and aggressively reduce costs, and I believe we are in a strong position to execute on both initiatives."

-Ends-

Authority and Contact Details

This announcement has been authorised for release by the Managing Director 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

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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.