



10 July 2020

Creso's Mernova receives US\$625k purchase order from Israeli Medicinal Cannabis Leader Univo Pharmaceuticals

Highlights:

- **Mernova has received a second purchase order from Univo Pharmaceuticals for US\$625,690 worth of its premium, cured and hand-trimmed dried medicinal cannabis flower**
- **Univo Pharmaceuticals is a leader in the Israeli medicinal cannabis market and this second order further supports Creso's expansion into this market**
- **25% of the order value will be paid in cash upon receipt of the export license from Health Canada; 25% will be paid upon receipt of goods at TLV Ben Gurion Airport; 50% to be paid within 30 business days of the goods being delivered at Univo's facility**
- **Israel is a pioneer in the global medicinal cannabis market, which has been estimated to be worth US\$62.7bn by 2024¹**

Creso Pharma Limited (ASX:CPH, FRA:1X8) ('Creso Pharma' or 'the Company') is pleased to advise that its wholly-owned subsidiary Mernova Medicinal Inc. ('Mernova') has received a US\$625,690 purchase order ('Purchase Order') for its premium, cured and hand-trimmed dried medicinal cannabis flower from Univo Pharmaceuticals Ltd ('Univo') (TLV: UNVO).

This is the second wholesale purchase order received from Univo (first purchase order announced 1 April 2020) and provides Creso with the opportunity to leverage Univo's extensive distribution networks into the rapidly growing Israeli market.

Univo is a medicinal cannabis company which has licenses for the entire supply chain including cultivation, production, R&D and distribution.

Under the Purchase Order, Mernova will ship four of its premium strains of cured, hand-trimmed, dried medicinal cannabis flower to Univo in Israel. An initial 25% of the order value will be paid in cash upon receipt of the export license from Health Canada, a further 25% will be paid upon receipt of goods at TLV Ben Gurion Airport and the remaining 50% of the order value will be paid within 30 business days of the goods being delivered at Univo's facility in Israel.

Delivery is expected to be completed within two weeks of the grant of an export permit by Health Canada. The Purchase Order cannot be terminated by Univo, but Univo has the right to reject the product and receive a partial refund if any material defects are identified within 21 business days of delivery.

¹Prohibition Partners (2019). The Global Cannabis Report. Retrieved from: <https://prohibitionpartners.com/2019/11/07/key-insights-from-the-global-cannabis-report/>



Management Commentary

Creso Pharma's CEO and Co-Founder Dr. Miri Halperin Wernli, commented: "Following our initial entry into the Israeli market in April this year, we are delighted to have received another significant purchase order from Univo which further strengthens our penetration into this growing market.

"Univo has an impressive distribution network, including significant connections to pharmacies and patients in Israel, so this truly is a tremendous growth opportunity for Creso.

"Israel is widely recognised as one of the more progressive and active cannabis markets globally and Univo's acceptance and continued demand for our cannabis is a major testament to the quality of our product and the expertise of the Mernova team.

"As wholesale demand for our products continues to solidify, we are also preparing for Mernova's launch into the Canadian retail market which is another exciting near-term opportunity. With several value catalysts on the horizon I look forward to providing further updates from across the business in the near-term."

-Ends-

Authority and Contact Details

This announcement has been authorised for release by the Creso Board

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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

About UNIVO Pharmaceuticals

UNIVO Pharmaceuticals Ltd (TLV: UNVO) is a vertically-integrated medical cannabis company covering all aspects of cultivation, manufacturing and distribution. Their highly experienced researchers holding PhDs in chemistry, analytical chemistry, biomedicine and pharmaceuticals come together to create innovative and dosage formed products for next-generation medical cannabis. UNIVO possesses licenses for the entire supply chain: research and development, growing, breeding and nursery, production of medical cannabis products and distribution. To learn more, please visit: www.univopharma.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.