



1 July 2021

Creso Pharma achieves second consecutive quarter of record revenue growth

Creso Group revenue growth:

- **Total revenue generated during the quarter ended 30 June 2021 (Q2 CY2021) of A\$1,715,933 – a 24% increase on the previous quarter (Q1 CY2021: A\$1,385,000)**
- **Q2 CY2021 revenue marks a 451% increase on the previous corresponding period (Q2 CY2020: A\$311,353)**
- **Strong sales growth witnessed through Swiss operations and wholly-owned Canadian subsidiary Mernova Medical Inc.**
- **Multiple purchase orders (“PO”) from various provinces highlight increased demand for Mernova’s products in Canada and scalable recurring revenue model**
- **Creso has a positive outlook on sales growth, with potential Red Light Holland (“RLH”) merger providing multiple new near term market entries and scale up opportunities**
- **Sales growth represents the second quarter of consecutive record revenue for the Creso Pharma Group**
- **Ongoing growth demonstrates Company’s strategy to create consistent revenue generation across all business divisions**

Creso Pharma Limited (ASX:CPH, FRA:1X8) (‘Creso Pharma’ or ‘the Company’) is pleased to provide the following update on record sales growth achieved during the quarter ended 30 June 2021 (Q2 CY2021) through its wholly-owned Canadian subsidiary, Mernova Medicinal Inc. (“Mernova”) and Swiss operations.

To date, Creso Pharma has generated a total of A\$1,715,933 in revenue during Q2 CY2021, which marks a 24% increase on the previous quarter (Q1 CY2021: A\$1,385,000) and a 451% increase on the previous corresponding period (Q2 CY2020: A\$311,353). The consistent quarter on quarter and year on year growth is underpinned by the strong demand for Mernova’s craft cannabis products and Creso Pharma’s animal and human health CBD products. Mernova continues to aggressively pursue further near term sales opportunities.

Mernova has generated a total of A\$1,040,454 in sales to date from purchases from provinces including the Nova Scotia Liquor Corporation (NSLC), New Brunswick’s only legal cannabis retailer and the Yukon Liquor Corporation for its *Ritual Green* and *Ritual Sticks* pre-roll range.

Creso Pharma’s Swiss operations have contributed approximately CHF469,083 (A\$675,479ⁱ) to quarterly revenue growth, through the sale of the Company’s high-quality CBD products for animals and humans.

Recent revenue growth is in line with the Company’s strategy of increasing sales in existing key markets, ongoing international expansion and through the introduction of new products.



Commentary:

Non-Executive Chairman Mr Adam Blumenthal said: *“Recent sales growth across the group is very pleasing and provides a very strong foundation for the remainder of 2021 and beyond. We look forward to providing further updates on revenue growth from our existing operations through new product launches and ongoing international expansion efforts.”*

-Ends-

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.

¹ Based on a CHF to AUD exchange rate of \$1.44