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Creso Pharma's wholly-owned Canadian subsidiary Mernova secures new purchase orders and first *Ritual Sticks* sale

Highlights

- Three purchase orders (PO) received valued at C\$177,122.40 (A\$183,019.55¹)
- First PO for *Ritual Sticks* Pre-roll Joints valued at C\$70,560.00 (A\$72,890.24¹) marks official product launch
- *Ritual Sticks* products expected to add additional revenue stream for Mernova – additional orders expected in the near term
- Pre-roll Joint market provides a number of opportunities for Mernova and potential new customer base
- POs highlight Mernova's growing brand recognition and shift to recurring revenue model

Creso Pharma Limited (ASX:CPH, FRA:1X8) ('Creso Pharma' or 'the Company') is pleased to advise that its wholly-owned Canadian subsidiary, Mernova Medicinal Inc. ("Mernova") has secured three new purchase orders ("PO") with a total value of C\$177,122.40 (A\$183,019.55¹), which includes the first purchase order for Mernova's Pre-roll Joint range, sold under the *Ritual Sticks* brand.



Images: Mernova's new *Ritual Sticks* product range

¹ Based on a CAD to AUD exchange rate of \$1.03



The *Ritual Sticks* offering is comprised of new Pre-roll Joints which utilise the Company's top-quality indoor grown, hand trimmed, hang dried, cured, artisanal, craft cannabis. To produce the line of Pre-roll Joints, Mernova exclusively utilises only the same high-quality cannabis that is sold under the Ritual Green brand. The launch follows considerable product development initiatives, as well as a lengthy registration process with Health Canada.

The first purchase order for *Ritual Sticks* was secured from the Nova Scotia Liquor Corporation ("NSLC") and valued at C\$70,560.00 (A\$72,890.24¹), marking the official launch of the product line in Canada. Mernova expects the new Pre-roll Joints to be available to consumers in the coming weeks.

The Pre-roll market unlocks another significant addressable market for Mernova. The *Ritual Sticks* range will provide products for people that do not know how to roll their own joints, or simply want to avoid the inconvenience of rolling joints themselves, and will benefit from the convenient nature of the Company's new offering.

Ritual Sticks will also be sold at a lower price point than Mernova's Ritual Green line and serve as an entry level product that makes it more affordable for people to try Mernova's high-quality strains. The expectation is that once people try the products, a significant number will become repeat customers.

Mernova has also received a PO from the NSLC valued at C\$61,022.40 (A\$63,037.66¹) for its Black Mamba and Mimosa strains, sold under the *Ritual Green* brand. This PO demonstrates the strong uptake of *Ritual Green* in Nova Scotia, which is a large addressable market for the Company.

The third PO, valued at C\$45,540 (A\$47,043.96¹) was from Cannabis NB for the Company's *Ritual Green* strains Lemon Haze and Mimosa. Cannabis NB is the government-owned retail cannabis monopoly in the Atlantic Canadian Province of New Brunswick. It has an established footprint of 20 retail outlets and an online channel which generate significant cannabis sales.

Mernova continues to witness strong growth through sales across all provinces. The Company anticipates that the recent launch of *Ritual Sticks* will add another revenue stream to Mernova's growing sales profile. Additional POs for new and existing product ranges are expected in the near term.

Mernova's Managing Director, Jack Yu said: *"Receiving our first PO for our Ritual Sticks brand of Pre-roll Joints is a major achievement for Mernova, and is the result of considerable R&D to select the right equipment and develop our processes. We wanted to produce the best Pre-roll joints possible, and are very excited to get our new products in the hands of customers in the coming weeks, so that they can provide their feedback. One thing that sets us apart is that we use only the same high-quality cannabis as sold under our Ritual Green brand of dried flower. We expect these products to open a much broader market for Mernova, as they are priced as entry-level products, which should help introduce our products to a much larger customer base, and they offer a level of convenience that many will appreciate."*

"Mernova continues to witness very strong sales growth and the additional purchase orders received recently are validation of this. Our brand recognition has increased considerably over the last few months, particularly in Nova Scotia, and Mernova has generated a reputation as one of the best craft cannabis growers in Canada. Most importantly, our ongoing sales growth has put the business on a fast track towards a stable, and recurring revenue-generating model."

"We expect demand for our products to continue, particularly with the introduction of our Pre-roll Joint range, and we look forward to updating shareholders on new purchase orders in the near term."

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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

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.