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Creso Pharma's wholly owned Canadian subsidiary, Mernova Medicinal Inc. wins seven new product listings in Nova Scotia and continues to outperform THC ranges

Highlights:

- **Seven new products to be listed and sold through the Nova Scotia Liquor Corporation ("NSLC") during the current quarter following most recent product call review**
- **Follows rigorous evaluation from the NSLC of over 1,200 submissions, which led to a total of 75 new listings in the province, of which Mernova received seven**
- **Doubles Mernova's total listings in the province from seven stockkeeping units (SKU) to 14 SKUs**
- **Demonstrates ability to further penetrate a market which is already Mernova's largest from a revenue perspective (based on Q1 to Q3 2022)**
- **New listed products to arrive in the distribution centre on February 17 with a target date for the products to be in the market of March 13**
- **Ongoing THC batch testing for dried cannabis sold under the Ritual Green range recently tested for THC content - all contained total THC of between ~30% and ~35%**
- **New batches of cannabis strains are the strongest that the Company has grown and sold since Mernova's inception**

Acceptance of seven new products and high total THC numbers highlight range superiority against local and other competitors and has potential to underpin sales growth

Creso Pharma Limited (ASX:CPH, FRA:1X8) ('Creso Pharma' or 'the Company') is pleased to provide the following update on activities undertaken by wholly-owned Canadian subsidiary, Mernova Medicinal Inc. ("Mernova") which has led to increased product listing in Nova Scotia and higher THC content across its range.

New products to launch in Nova Scotia:

The Company has further expanded offering in Nova Scotia, following the acceptance of seven new products by the Nova Scotia Liquor Corporation ("NSLC") in the most recent round of product call review. The products were selected following a rigorous evaluation by the governing body of 1,200 submissions which led to a total of 75 new listings.

Mernova now has a total of 14 stock keeping units ("SKU") listed for sale in the province across its *Ritual Green*, *Ritual Stick* and *Ritual Gold* product suite. The recently accepted SKUs will arrive in the distribution centre on February 17 with a target date for the products to be in the market of March 13 which leads to starting sales towards the end of this quarter.

Product testing reveals *Ritual Green* strains high THC content:

Mernova has also completed additional testing of cannabinoid content across four of its *Ritual Green* cannabis strains, which has highlighted significant THC content. The high-content THC strains provide



Mernova with another competitive advantage and are the strongest batches the Company have released since Mernova's inception.

Recent testing has shown that the Company's most recent dried flower batch of French Cookies had total THC content of 30.97%, Mac 1 had total THC content of 33.5% and 32.81% across two new batches, Lemon Haze had total THC% content of 32.02%, and Black Mamba total THC percentage content of 30.3%, 31.18% and 34.66% across three new batches.

Each new batch considerably exceeds the industry average THC content levels for dried flower products, which is estimated to be approximately 15%ⁱ.

The increased SKUs and high total THC numbers will position Mernova in a better place against local and other competitors in this industry. Further, the new listings will provide additional exposure for Mernova with consumers and have the potential to increase sales during the current quarter and beyond.

Mernova is actively marketing the new high-content total THC batches to a range of new and existing province partners and anticipates purchase orders to materialise shortly.

Management commentary:

CEO and Managing Director, Mr William Lay said: *"Nova Scotia has always served as a barometer for the Company and to have an additional seven products accepted by the NSLC is a major achievement. Pleasingly, Mernova's submissions were selected from 1,200 applications, of which only a total of 75 were successful, which included products from major global cannabis companies and other leading industry players. This highlights the exceptional quality of our ranges, in-house capabilities and market penetration potential.*

"The Company's work to optimise its product suite directly underpins Mernova's expansion through Nova Scotia and other provinces. Recent testing of dried cannabis flower has shown that the Company has a superior THC content compared to industry average.

"We expect that these higher content strains will peak consumer interest, as customers continue to seek stronger, premium grade products. Initial discussions with province partners have been positive and we look forward to purchase orders materialising shortly."

-Ends-

Authority and Contact Details

This announcement has been authorised for release by the Disclosure Committee 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.

¹ <https://www.canada.ca/en/health-canada/services/drugs-medication/cannabis/about.html>