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Creso Pharma anticipates increasing Q4 2021 Swiss revenue and strengthens partnership with Swiss medicinal cannabis company

Highlights:

- Creso Pharma's Swiss operations have recorded revenues of A\$817,429 (CHF 552,548ⁱ) during Q4 2021 so far – leading to a 126% increase on the division's revenue over last quarter
- Swiss sales in 2021 add to date a total of A\$2,562,235 in revenue by Creso Pharma Switzerland
- Creso Pharma Switzerland is well placed to exceed last year's revenues, with a 117% growth so far and continues on a rapid growth trajectory
- Swiss operations growth underpinned by collaboration for the marketing and sales of human health CBD and medical cannabis products with Cannahealth AG
- Listing of cannaDOL® with all major Swiss wholesalers and first incoming orders as part of "Born to Move" campaign
- Additional growth anticipated through ongoing international expansion efforts and potential partnership agreements
- Revenue growth highlights Creso Pharma's shift from product development focused company to an internationally established life sciences business

Creso Pharma Limited (ASX: CPH, OTC: COPHF FRA:1X8) ('Creso Pharma' or 'the Company') is pleased to advise that the Company's Swiss operations have generated revenue of A\$ 817,429 (CHF 552,548ⁱ) during the current quarter to date, following a strengthened partnership with Swiss-based company, Cannahealth AG ("Cannahealth") for the marketing and sales of its products.

Strong revenue growth across operating divisions:

The significant increase in revenue through Creso Pharma Switzerland so far highlights a 126% increase on the division's previous quarter (Q3 2021 Creso Pharma Switzerland revenue: A\$362,448).

It also adds to the total revenue generated by Creso Switzerland to date of A\$2,562,235 leaving Swiss Creso Pharma group well placed to achieve a growth over last year of 117%.

The Company has broadened its sales pipeline over recent months and expects to secure additional purchase orders through both its Swiss Operations and wholly-owned Canadian subsidiary, Mernova Medical Inc. in the near term.

Strategic collaboration with Cannahealth and additional growth initiatives:

Creso Pharma has entered into a strategic collaboration agreement with Cannahealth, for the supply of hemp and cannabis plant material as well as the marketing and sales of Creso Pharma's products in Switzerland. Cannahealth has an established network in Switzerland, which is generating pleasing sales growth. Both parties are in discussions to potentially expand the products reach further into Europe at a later phase. The initial term of the agreement is one year ("Initial Term") and will



automatically renew after one year ("Renewal Term"), unless either party notifies the other of their decision to not renew the agreement within 30 days prior to the expiry of the Initial or Renewal Term. Initial Term and Renewal Terms are subject to termination for cause upon notice by either party, or upon failure to meet the above referenced renewal conditions. There are no defined or minimum quantity orders under the agreement.

Creso Pharma has also made strong progress through its cannaDOL® launch campaign, securing the listing of the new cannaDOL® gel products with an increasing number of wholesalers that now deliver to over 2,500 retailers in Switzerland. Creso has received initial cannaDOL® orders from several pharmacies, which points to a rapid growth through the launch of these new products.

The Company continues to engage in promotional initiatives for the "Born to Move" cannaDOL® range through key wholesalers, pharmacies, drugstores, fitness centers and through an e-commerce mailings. Additional growth is expected to materialise over the medium term.



Image: Creso Pharma's cannaDOL® product range, launched under the 'Born to Move' brand

Non-Executive Chairman, Mr Adam Blumenthal said: "Creso Pharma's Swiss operations continue to generate strong revenue to date, which will assist the Company in achieving consecutive quarter on quarter and year on year growth. Demand for our human health product suite has increased recently, highlighting Creso Pharma's ongoing shift from a product development focused company, to a diversified commercial life sciences company with a global reach.

"We anticipate that revenue will continue to increase over the remainder of Q4 2021, when additional purchase orders across Switzerland and Canada materialise. The Company has a number of business development initiatives underway and remains committed to significantly growing its sales pipeline through international expansion efforts and partnership agreements. The Company looks forward to updating its shareholders in the near term, once these opportunities materialise."

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**Authority and Contact Details**

This announcement has been authorised for release by the Chairman 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.

ⁱ AUD to CHF exchange rate of \$1.48