



19 January 2021

Record start to FY2021 with multiple purchase orders secured

Highlights

- **New purchase order (PO) valued at CHF171,000 (A\$247,826¹) received from existing commercial partner for anibidiol® animal health products**
- **PO adds to strong demand for anibidiol® and cannaQIX® witnessed across Europe, Latin America and South Africa**
- **Total POs confirmed for delivery in H1 FY2021 now total ~CHF728,000 (A\$1,055,272¹)**
- **Product portfolio expansion initiatives underway to grow animal health sector footprint**

Creso Pharma Limited (ASX:CPH, FRA:1X8) ('Creso Pharma' or 'the Company') is pleased to provide the following update to shareholders on its growing revenue profile and record start to FY2021.

The Company wishes to advise that it has secured a new purchase order for its leading range of animal health products anibidiol®, from existing commercial partner, Virbac Switzerland. The PO is a repeat order, is non-cancellable and is valued at CHF171,000 (A\$247,826¹). Creso Pharma expects to complete delivery of the PO in April 2021.

This PO adds to a number of orders that Creso Pharma has secured in the recent weeks including three respective POs for anibidiol® valued at CHF277,000 (A\$401,449¹) from current commercial partners (refer ASX announcement: 2 December 2020). The Company expects to fulfil these orders during the current quarter, with the sale to be banked shortly after.

Creso is also witnessing strong demand for its products through Latin America (refer ASX announcement: 21 December 2020). The Company secured regulatory approval for its animal health product line from the Ministry of Agriculture and Animal Feed in Uruguay (Ministerio de Ganadaria, Agricultura y Pesca) through its commercial partner Adler Laboratories and also received an initial PO for anibidiol® valued at CHF60,000 (A\$86,957¹), which will be delivered around April 2021.

During January 2021, the Company also finalised delivery of its second PO valued at CHF220,000 (A\$318,841¹) for its cannaQIX® products from the South African subsidiary of Lupin International (NYSE: LUPIN), Pharma Dynamics (refer ASX announcement: 12 January 2021). These products were delivered during January, allowing Creso to bank the total value of the order.

Together, the total value of combined orders represents CHF728,000 (A\$1,055,072¹) which Creso Pharma expects to recognise as revenue within the first half of FY2021. This is a major achievement for the Company and highlights the growing demand that it is witnessing for its leading product ranges on a global scale.

¹ Based on an AUD/CHF exchange rate of \$0.69

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These orders also underscore the Company's ability to navigate stringent regulatory requirements for marketing hemp products globally, as well as management's ability to progress growth initiatives in difficult market conditions.

Creso Pharma is confident that further orders for the anibidiol® and cannaQIX® product lines will materialise in key markets. The Company also anticipates a number of orders from its wholly-owned Canadian subsidiary, Mernova Medical Inc. to materialise in the near term. Management look forward to updating shareholders on developments in the coming months.

Management Commentary

Commercial Director Mr Jorge Wernli said: *"We are very pleased with the recent developments and receipt of a number of purchase orders for both the anibidiol® and cannaQIX® product lines. These POs highlight the significant growth that we are witnessing for our offerings, across a range of large markets where there is considerable opportunity to scale."*

"These new orders also underscore our ability to supply products in spite of very challenging circumstances which have developed as a result of the COVID-19 pandemic in a fast and flexible manner."

"Our capabilities to generate and deliver ongoing POs, and deliver a record start to FY2021 leaves Creso in a very favourable position to capitalise on the fast growing demand we are witnessing for our offering and the large market opportunity the health sector represents."

-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.

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