

Creso Pharma

Green Goo Transaction

**STRATEGIC ENTRY TO
US CBD MARKET**

3 February 2022



CRESO
PHARMA



GREEN GOO
PLANTS WITH PURPOSE™

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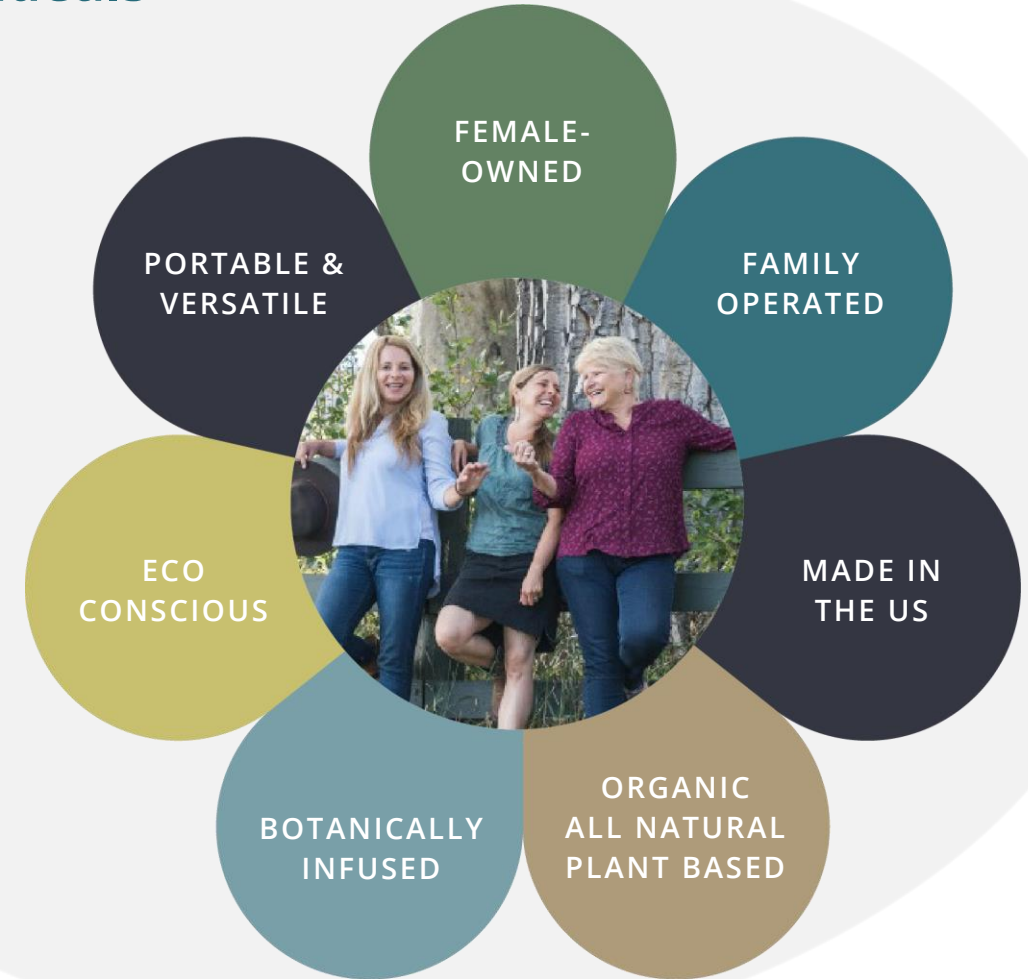
About Green Goo

Green Goo:

A true family business success story built on strong ideals



- 2008** ○ As a hobby, Scott family begins experimenting with various herbs, drying them out on old screen doors to infuse into oils for personal use
- 2009** ○ Scott family begins to label products and give them to friends and family, with significant acclaim and starts to sell them at local farmers markets
- 2012** ○ Family begins traveling to markets and festivals to sell the products; Green Goo as a commercial venture is born
- 2014** ○ Family rented small warehouse and began production at home
- 2015** ○ Green Goo develops first food, mass, drug relationships
- 2017** ○ Reaches 25k points of distribution
- 2020** ○ Introduction of Good Goo CBD range
- 2020** ○ Green Goo reaches US\$8M in gross sales
- 2022** ○ Q1 Green Goo reaches 110k points of distribution



Green Goo's current product portfolio

SIERRA SAGE HERBS

 **GREEN GOO**
(non-CBD)

 **GREEN GOO**
(CBD)

 **GREEN GOO**
PLANTS WITH PURPOSE™

*Southern
Butter*

 goodgoo™

 Beauty & personal care/first aid

 Sexual wellness products

 CBD products



Green Goo's current reach



INFLUENCER/AMBASSADOR PROGRAM

200+
influencer & ambassador relationships
1,000,000 views on TikTok
Strong affiliate program

DIRECT TO CONSUMER

145,000
customers

Customer lifetime value: **US\$290**
Customer acquisition cost: **US\$25**
Average order value: **US\$45**

Strong historical return on marketing investment



BRICKS & MORTAR

110,000+
points of distribution*
Currently products present in:

CVS pharmacy **Walgreens**
SAFEWAY **Albertsons** **Kroger** **Walmart**
(among others)

* 90k + 20k expected in Q1

Green Goo's manufacturing partnerships



Green Goo's core manufacturing relationship and proprietary lipid infusion process provides a significant competitive advantage

Proprietary daily infusions process

Low MOQs

Multi-purpose dedicated kettles

Dedicated production line
to finished goods

Versatile across product line

Specially trained staff

Short lead times

Raw materials sourced by manufacturing partner

Agile production to meet inventory requirements

FDA approved facility operating under GMP

Further certifications

Raw material sourced only from certified SSH approved vendors

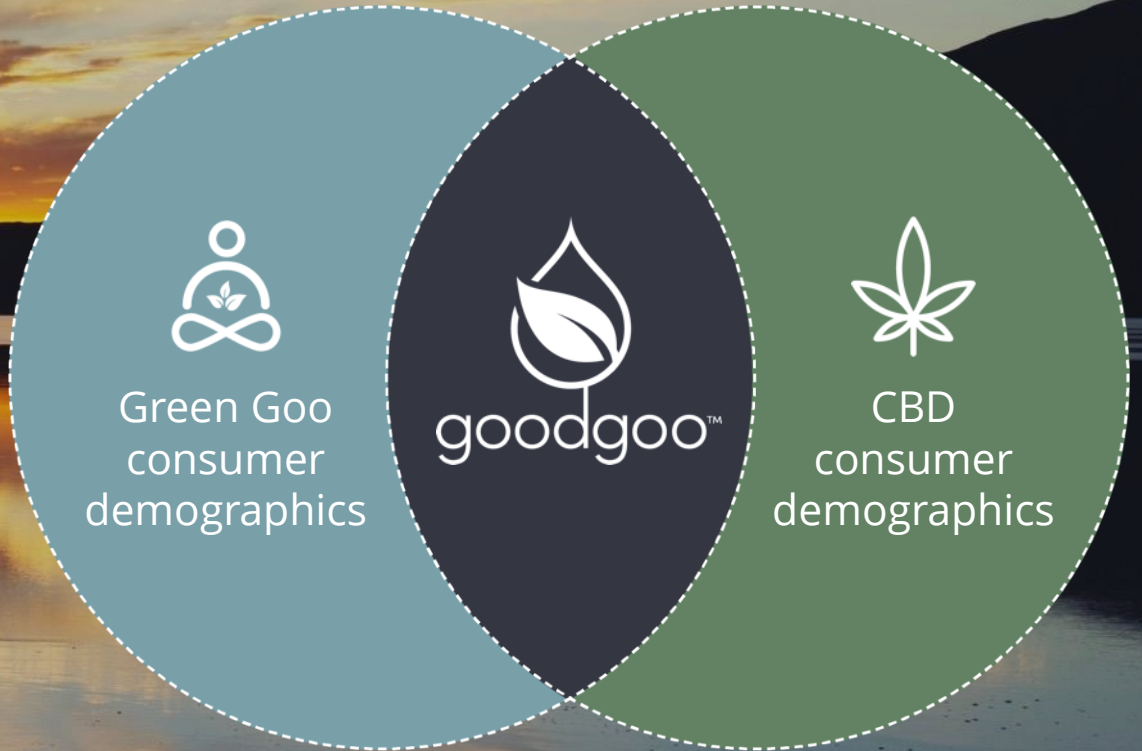
Shipments to all channels of distribution: brick & mortar

Marketplaces

DTC

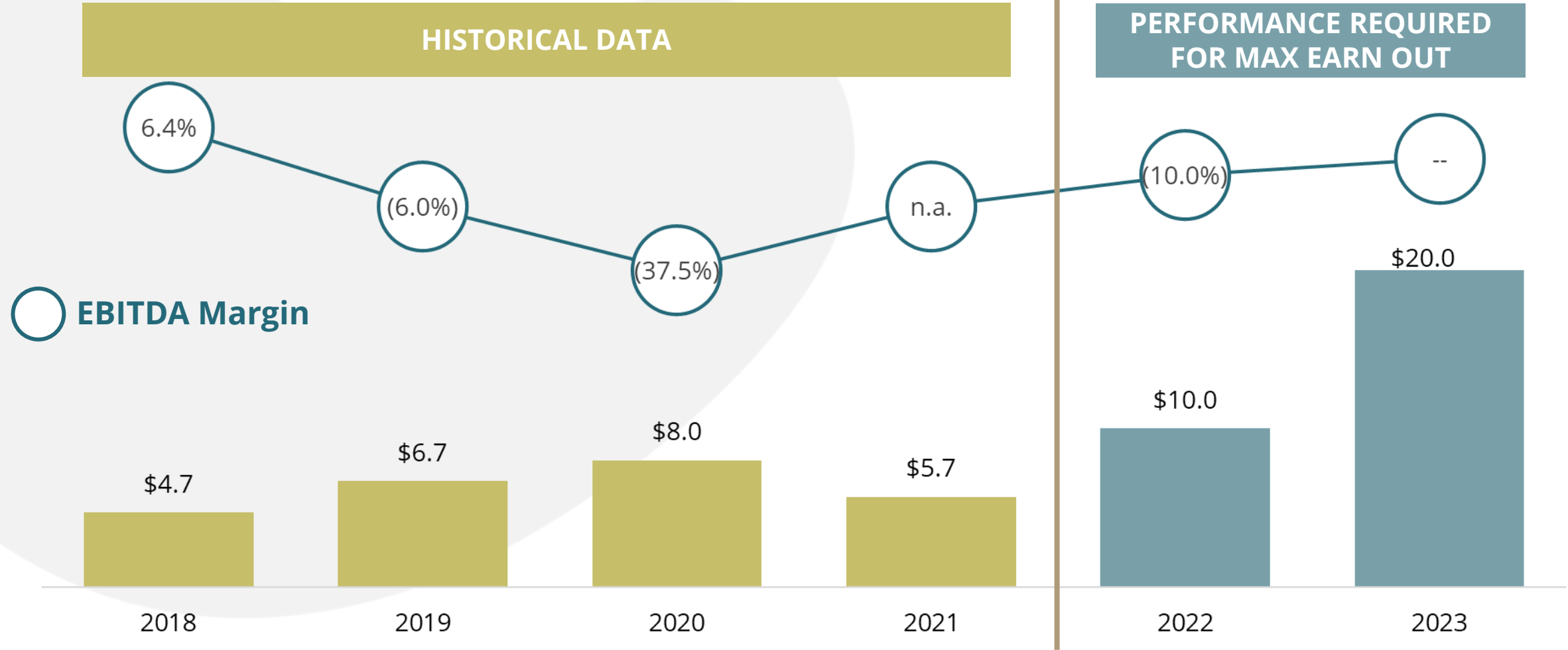


Introduction of Good Goo CBD products



In 2020, Green Goo introduced its CBD range under the goodgoo brand

Green Goo Historical Financials (US\$m)¹



2021 decline attributable to postponement of capital raise to pursue corporate transaction with Creso

1. Unaudited. 2021 books not closed; revenue is approximate and EBITDA is not available.
Private and confidential

Green Goo's team



Jodi Scott
CEO/Co-Founder

- Primarily responsible for the strategic direction and execution of SSH
- Years of experience working with disadvantaged patients seeking medical and therapeutic care



Kathy Scott
VP Compliance/Co-Founder

- Focused on Regulation and compliance
- Web design and video content creation
- Years of experience in operating her own company



Jennifer Scott
VP Product Development/Co-Founder

- Specializes in product development and formulation
- Studied the art of making medicinal body care product
- Certified Herbalist



Brooke Dang
VP Finance

- Responsible for overseeing and implementing global finance
- 20+ years working in finance
- Extensive knowledge in the cannabis space (Medical Marijuana Inc.)



Shea Martin
VP Public Relations

- Responsible for Public Relations
- 18+ years in public relations including managing A list celebrities



Kelly Hoyt
VP Strategic Operations

- Responsible for overseeing operations
- Fortune 500 background worked at IBM and other multinational companies



Chris Sparks
VP Supply Chain

- Responsible for overseeing supply chain and manufacturing processes



Michelle Douglas
Sr. Director, Global Sales and Marketing

- Responsible for overseeing Brand Marketing & Digital
- 15+ years in sales and marketing from Fortune 500 (Pepsico) to pioneering start ups (Canopy Growth)

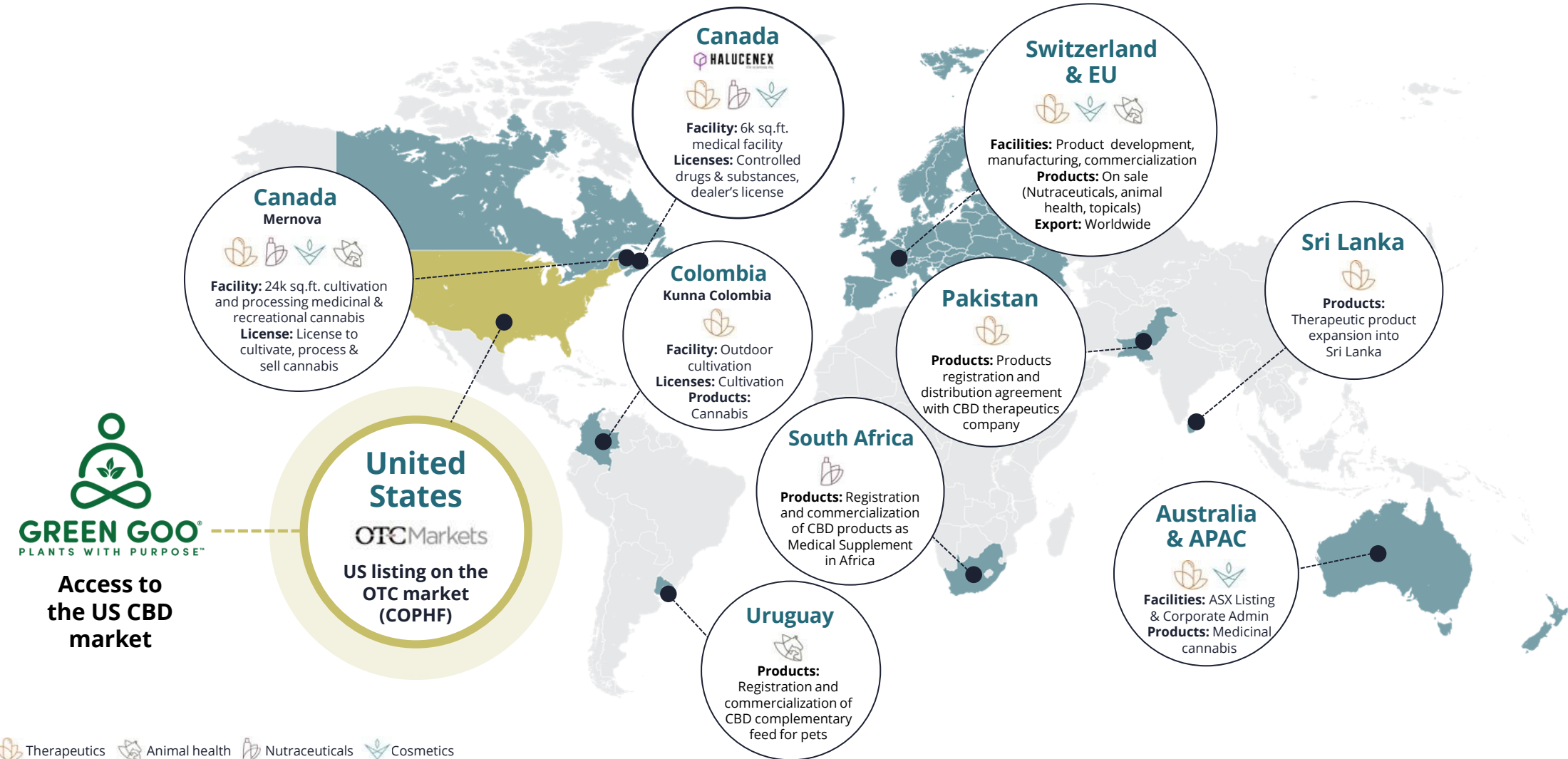


Erin Bovard
Director, US Sales

- Responsible for overseeing US sales
- 11+ years in sales most recently Charlottes Web Natural division

Overlap & synergies

Creso's expanded global portfolio



Creso Pharma Current CBD Products



CRESO PRODUCTS



Human health



CRESO
THERAPEUTICS



CRESO
NUTRACEUTICALS



CRESO
TOPICALS



Animal health



CRESO
COMPLEMENTARY FEED



Products backed by **best in class** intellectual property

Why US CBD?



Large and quickly growing market:
US\$12bn by 2026¹

#1 Driver of purchasing decision¹:
desired effects
(i.e. product quality)



Best in Class
Swiss CBD IP

GREEN GOO
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Branding and
distribution



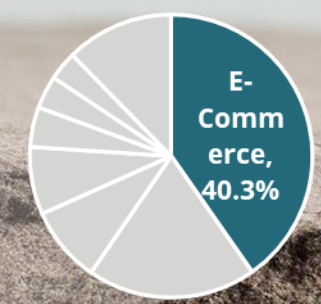
Keys to success: US CBD



2021 CBD Sales by Channel¹



2026 CBD Sales by Channel¹



Green Goo sales outside US



Creso to leverage global network of commercial partners to drive international sales of Green Goo's non-CBD products



 **GREEN GOO**
PLANTS WITH PURPOSE
existing sales relationships

 **CRESO**
PHARMA
existing sales relationships

Green Goo to Accelerate impACTIVE



GREEN GOO® benefits impACTIVE by:



Improved manufacturing relationship with lower MOQs and shorter lead times



Ability to plug into Green Goo's retail and D2C relationships



Ability to leverage Green Goo's marketing expertise



Ability to pursue brand ambassadors across both brands



Combined management/board



William Lay

CEO & Managing Director

- Former investment banker and previously Associate Director, M&A at Canopy Growth



James Ellingford

Chairman

- Previously President of an international publicly listed billion dollar business with its headquarters in Geneva, Switzerland and New York, USA



Bruce Linton

Non-executive Director

- Co-founder and former Chairman of Canopy Growth Corporation, world-leader in cannabis and psychedelics



Adam Blumenthal

Co-Founder, Non-exec Director

- Investment banking and corporate finance expert, deep exposure to Australian and international markets



Boaz Wachtel

Co-founder & Director

- leading Medical cannabis expert, co-founder and former MD of Phytotech Medical Australia's first publicly traded medical cannabis company



Micheline MacKay

Executive Director

- Corporate Manager at Mernova, 22 years of experience in regulatory environments



Jodi Scott

President US Operations & Executive Director

- Co-founder and CEO of Sierra Sage Herbs



Chris Grundy

CFO

- Career CFO with over 30 years experience in life sciences sector



Miri Halperin Wernli

Strategic Advisor

- Executive President and board member of MindMed, 30 years experience in biopharmaceutical industry



Jorge Wernli

Commercial Director – Creso Pharma Switzerland

- 30 years of experience in Big Pharma, including Novartis, Wyeth, Vifor



Jack Yu

Managing Director Mernova



Bill Fleming

Managing Director Halucenex



Brett Ayers

Managing Director impACTIVE



US operating subsidiary provides a platform to rapidly enter US THC markets upon any potential regulatory changes. Creso's Mernova subsidiary has world class THC products.



Creso and Green Goo management have track record on new product development; immediate efforts to begin on functional mushroom products.



Leverage marketing and branding expertise of Green Goo management for further commercialization of Creso's human and animal health products globally



Creso Group Partners



Transaction terms



KEY TERMS

- Up-front Consideration of US\$21 million, payable in shares based on an issue price of \$0.083 (being the 10 day VWAP as at the date of execution) and an FX rate based on closing date for 100% of Sierra Sage Herbs ("SSH") (Green Goo Parent)
- CY2022 Earn out of up to US\$15 million cash or share consideration based on achievement of US\$10 million of sales in CY2022 and EBITDA margin of (10%) or better in CY2022 (Milestone Payment 1)
- CY2023 Earn out of up to US\$23.5 million cash or share consideration based on achievement of US\$20 million of sales in CY2023 and EBITDA margin of 0% or better in CY2023 (Milestone Payment 2)
- Ability to earn reduced earn outs based on lower targets, as set out in the ASX announcement dated 3 February 2022.
- Creso Pharma to provide SSH US\$1.7 million of growth capital in the form of a loan on signing of the transaction, a further US\$1.0 million in growth capital upon closing

BOARD AND MANAGEMENT

- SSH co-founder and CEO, Jodi Scott, to be appointed Executive Director and President of US Operations upon closing of the transaction
- No other changes and senior management / board level

VOLUNTARY ESCROW

- 75% of Upfront Consideration to be subject to voluntary escrow restrictions, whereby:
- Jodi Scott and family to enter into voluntary lock-ups whereby 25% of consideration shares are available immediately, 37.5% available 6 months after closing, 37.5% available 12 months after closing
- All other shareholders to enter into voluntary lock-ups whereby 25% of consideration shares are available immediately, 25% available 4 months after closing, 25% available 8 months after closing and 25% available 12 months after closing
- Milestone Payments to be subject to same voluntary escrow arrangements as the Upfront Consideration

PRO FORMA OWNERSHIP

- At closing, current Creso Pharma shareholders will own ~77.1% of the combined company, while current SSH shareholders will own ~22.9% of the combined company

CLOSING CONDITIONS AND TIMING

- Receipt of Creso Pharma shareholder approval and independent expert's report
- Subject to other customary closing conditions
- Creso expects to hold a shareholders' meeting to approve the transaction in or around late March 2022, with closing to occur soon thereafter

And we continue to Spread Goodness™.

#SpreadGoodness