



23 May 2022

Heads of Agreement secured with one of Australia's leading tattoo aftercare products company, Dr Pickles for the introduction of Sierra Sage Herbs LLC products to the Australian market

Highlights:

- **Creso Pharma's target acquisition, SSH intends to enter the Australian body care market following a non-binding, non-exclusive Heads of Agreement with Dr Pickles Pty Ltd ("Dr Pickles")**
- **Dr Pickles is one of Australia's leading tattoo post care products company**
- **Its distribution footprint includes Woolworths stores nationally, pharmacies, barber shops and over 800 tattoo studios**
- **Dr Pickles also has a direct sales database of over 20,000 online consumers**
- **Products to be selected from the extensive Sierra Sage Herbs ("SSH") range with initial focus on SSH's innovative, plant-based tattoo post care and sun screen salves**
- **HoA has the potential to provide Creso Pharma with another channel to market and increased revenue growth**
- **Creso Pharma to explore commercialisation opportunities for products from the Dr Pickles range in North American markets,**
- **SSH has significant access to large bricks and mortar retailers and a large direct sales platform to progress potential sales of Dr Pickles products**
- **Creso Pharma and Dr Pickles are working towards entering into, and implementing, a formal Collaborative Agreement on or before 29 July 2022, unless extended by mutual agreement between the parties**
- **Project development work to run concurrently within this timeframe with first product introductions targeted in Q3 2022**

Creso Pharma Limited (ASX:CPH, OTC:COPHF, FRA:1X8) ('Creso Pharma' or 'the Company') is pleased to advise it has signed a non-binding, non-exclusive Heads of Agreement (HoA) with one of Australia's leading tattoo post care company Dr Pickles Pty Ltd. ("Dr Pickles"), providing Creso Pharma with a potential pathway into the Australian body care market.

Dr Pickles is a Brisbane-based company, founded in 2010. The group was established due to the lack of petroleum jelly based alternatives for people with fresh tattoos. Dr Pickles' product suite is cruelty and paraben free, all natural and manufactured in Brisbane.

Under the HoA, the parties have agreed to enter into a Collaborative Agreement on or before 29 July 2022 ("Expiration Date"), with the parties being able to extend this timeframe by mutual agreement ("Collaborative Agreement"). The HoA can be terminated upon either party giving written notice at any time prior to the execution of a Collaborative Agreement. There has been no consideration set between the parties under the HoA.

This Collaborative Agreement is intended to set out the terms upon which Creso Pharma and Dr Pickles will:



1. *Commercialise select products from Creso Pharma's target acquisition company, Sierra Sage Herbs' (SSH) portfolio in the Australian market.*

With direct distribution into over 800 tattoo studios across Australia, an e-commerce database of over 20,000 direct customers and a sales network which extends through barber shops, pharmacies and Woolworths stores nationally, Dr Pickles is one of Australia's largest and most popular tattoo aftercare products supplier.

The initial focus is expected to be on the introduction of SSH's tattoo aftercare and sunscreen products with broad scope to expand the product range.

2. *Explore the opportunity to bring select products from the Dr Pickles range to North American markets via SSH's distribution network.*

SSH's points of sale include leading pharmacy chains and major retail groups such as CVS, Walgreens, Rite Aid, Albertsons Companies, Whole Foods, Walmart, Amazon US and Target.com amongst others.

3. *Explore further commercialisation options for current and future innovative products.*

As previously advised, Creso Pharma has executed a definitive agreement to acquire US-based Sierra Sage Herbs (SSH) (refer ASX announcement: 3 February 2022). The transaction is expected to complete in June 2022, subject to final approval by vote of Creso Pharma shareholders. SSH is a leading consumer packaged goods company focused on plant-based and CBD products under the Green Goo, Southern Butter and goodgoo brands offering products in the CBD, first aid, beauty, sexual wellness, women's health and pet categories.

About Sierra Sage Herbs Tattoo & Sun Screen Products:

SSH salves are fundamentally different from other products on the market. SSH's herbs are carefully sourced from organic farmers, with the product's defining characteristic being a lipid infusion process. Rather than using pre-made extracts, SSH infuses fresh and dried herbs in organic oils over low heat for an extended amount of time to increase the potency value of the products.

Green Goo Tattoo Care is an herbal infusion specially formulated to soothe the pain and swelling associated with freshly tattooed skin. It also provides a protective layer while the skins heals over time. SSH's tattoo aftercare salve moisturises and nourishes skin to help keep colors vibrant and tattoos looking fresh and new.

Green Goo Sunscreen provides effective moisturising, water-resistant, broad-spectrum SPF 30 protection that's petroleum free, chemical free, oxybenzone free, gluten free, and coral-reef safe and is made with all-natural ingredients.



Products for initial launch to include Green Goo Tattoo Care Salve and Solar Goo Sunscreen

Commentary:

CEO and Managing Director William Lay said: *“We’re delighted to partner with Dr Pickles to launch our Green Goo body care products in Australia. The group’s passion for bringing the highest-quality products to consumers has propelled their success and makes them a perfect partner for Creso Pharma. We’re looking forward to working closely with the Dr Pickles team on exploring multiple product and branding opportunities which have the potential to drive sales for both parties.”*

CEO and Co-Founder of Sierra Sage Herbs Jodi Scott said: *“We believe our Green Goo products will be well received by Australian consumers because they are all-natural, plant based and highly effective. Finding the right partner is critical for us entering Australia and with Dr Pickles we have met another highly successful family enterprise and identified several additional synergies that have the potential to unlock shareholder value. Dr Pickles have built a wonderful brand which holds tremendous appeal with consumers and has a great fun personality. We are very much looking forward to working with Xenon, Nigel and the whole Dr Pickles team.”*

Managing Director and Co-Founder of Dr Pickles Xenon Soden said: *“We believe Green Goo and Dr Pickles share similar values. Both have proven business concepts based on well known and much-loved brands in our respective jurisdictions. The response we have received from Australian consumers who have tried the Green Goo products has been incredibly positive. We’re very excited to partner on the introduction of these products to the Australian market and we look forward to exploring the opportunity for Dr Pickles to enter the North American market.”*

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Authority and Contact Details

This announcement has been authorised for release by the Disclosure Committee of the Board of Directors 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

About Dr Pickles

Dr Pickles was started humbly in 2010 when co-founders, tattoo enthusiasts and above all, brothers Luke and Xenon Soden noticed that due to a lack of an alternative, people with fresh tattoos were applying nappy rash cream, or petroleum jelly filled paw paw ointments to treat their fresh artwork. Fuelled by the passion to deliver a high-quality Australian made product to their community, the brothers worked hard to create Dr Pickles' first signature product: the Original Formula Tattoo Balm. Dr Pickles has since launched a series of products and grown to become the largest and most popular tattoo aftercare products supplier in Australia. They have sales to over 800 tattoo studios nationally, an ecommerce database of over 20,000 direct customers and a sales network extends through barber shops, pharmacies and Woolworths stores nationally.

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Forward Looking statements

This announcement contains forward-looking statements with respect to Creso Pharma 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 Pharma 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 Pharma and



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