



7 April 2022

Target acquisition company Sierra Sage Herbs LLC significantly expands US distribution footprint into 20,000 new points of sale

Highlights:

- **Additional 20,000 distribution points increases Sierra Sage Herb's ("SSH") footprint into traditional bricks and mortar stores across the US to 110,000**
- **New and existing points of sale include leading pharmacy chains and major retail groups**
- **Expansion adds to SSH's leading list of stockists including CVS, Walgreens, Rite Aid, Albertsons Companies, Whole Foods, Walmart, AmazonUS and Target.com amongst others**
- **SSH has introduced new point of sale displays under the 'Destination First Aid' campaign**
- **Campaign includes innovative new product sizes for bestselling Green Goo products which target dry skin, cold, flu and allergy relief, as well as natural pain relief**
- **Retail footprint expansion is expected to underpin ongoing sales growth for SSH**
- **SSH generated over US\$8m in CY2020 and US\$5.7m in CY2021 which is expected to increase with growth through new stockists**
- **Increase in distribution points is expected to provide Creso Pharma with a growing sales footprint in the US to leverage upon completion of the proposed acquisition**
- **Acquisition expected to close in May 2022**
- **Multiple cross selling opportunities between Creso Pharma and SSH continue to advance**

Creso Pharma Limited (ASX:CPH, OTC:COPHF, FRA:1X8) ('Creso Pharma' or 'the Company') is pleased to advise that proposed acquisition target, Sierra Sage Herbs LLC ("SSH") (refer ASX announcement: 3 February 2022) has significantly expanded its US distribution footprint and is now selling a selection of its leading Green Goo products into an additional 20,000 points of sale across the country.

The increase has significantly broadened SSH's distribution footprint, which now covers over 110,000 points of sale in the US. The new stockists are all traditional bricks and mortar stores. This established network has allowed SSH to grow revenue from US\$4.7m in CY2018 to over US\$8m in CY2020 and US\$5.7m in CY2021. The expansion has the potential to assist SSH in further growing this revenue profile.

The new distribution points complement SSH's existing retail stockists, which include AAFES (Army & Air Force Exchange Service), CVS, Walgreens, Rite Aid, Albertsons Companies, The Kroger Family of Companies, Whole Foods, Walmart, AmazonUS and Target.com amongst others.

To capitalise on the recent expansion and drive sales, SSH has also introduced new branding and displays through a campaign called 'Destination First Aid'. The new point-of-sale displays are designed for consumers seeking head-to-toe body care and include innovative packaging sizes for leading Green Goo products which target dry skin, foot care, cold, flu and allergy relief and natural pain relief.



Image one: Green Goo Destination First Aid POS Display - Free to Breathe, Pain Relief, Foot Care, and Dry Skin Salves (.6 oz. Jumbos Sticks)

Creso Pharma and SSH continue to progress potential cross selling opportunities which include the introduction of CannaQIX 50 lozenge products through SSH's leading Good Goo brand (refer ASX announcement: 16 March 2022). Multiple other developments are advancing, which the Company expects to have the potential to unlock strong sales growth.

Management commentary:

CEO and Managing Director Mr William Lay said: *"Sierra Sage Herbs has grown an exceptionally strong distribution footprint in traditional bricks and mortar stores in the US with many of the country's large retail groups and leading pharmacy chains.*

"This is a very important development for Creso Pharma and once the acquisition completes, we will have the ability to leverage these points of sale to drive sales of our own established product suite, while benefitting from the ongoing sale of SSH products.

"The group also continues to witness positive online sales growth and this is testament to the strong brand loyalty Jodi and her team have built in recent years."

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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

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Forward Looking statements

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