



ASX Announcement

05 September 2018

Creso Pharma – Lifestyle Portfolio Update

Highlights:

- **Creso is on track with its mission: Nutraceuticals, Animal Health and therapeutics products are in market around the world.**
- **Creso has developed its Lifestyle portfolio and is preparing to bring the initial products to launch.**
- **As traditional beer sales decline, Cannabis infused beer sees escalation in global interest. Constellation and Molson Coors are banking on partnerships to fuel growth.**
- **Creso prepares to launch beverages under the CLV Frontier Brands Pty Ltd joint venture.**
- **Functional foods are a new product category. Samples of Creso’s terpene-enriched, premium Swiss functional chocolate line is currently being shipped to businesses across the world.**

Creso Pharma Limited (ASX:CPH) (the “Company” or “Creso”), is pleased to provide an update on progress with its Lifestyle portfolio. This portfolio is designed with unique products to appeal to a broad consumer base around the world.

As with all of its product categories: Therapeutics, Nutraceuticals, Animal Health, and Topicals, Creso’s strategy with Lifestyle products is to identify and secure agreements with reputable commercial partners. These partners provide market knowledge and the ability to launch and distribute products within an established network. This approach enables Creso to expand globally, quickly. Within Creso’s Lifestyle portfolio, partnerships are being discussed across many of the key markets to develop and launch products.

Creso has progressed its joint venture with LGC Capital (LG:TSX.V) and the Baltic Beer Company – CLV Frontier Brands Pty Ltd. – to bring innovative and relevant products to market quickly.

As consumers become more comfortable with the idea of cannabis-infused drinks and following legalisation across some U.S. states and in Canada, several of the global leaders in alcoholic beverages, including Molson Coors Brewing Co and Constellation Brands Inc. are investing heavily in developing cannabis-infused beverages. Another beverage giant, Diageo, is also rumoured to be entering the field.

CLV Frontier Brands will have wide-spread commercialisation reach across numerous continents and intends to make full use of the networks of all three companies for marketing and distribution, strictly in compliance with all local and international laws.



CLV is currently in discussions with distributors in Canada, where there is a large consumer base with an appetite for cannabis derived products and we expect there will be enhanced demand in relation to the legislation of recreational cannabis in October 2018.

Branding for the range of **Old Boy Mary Jane** beers has been finished and samples have been sent to Europe, Israel and Australia. The brand website is available: www.obmj.beer

CLV Frontier Brands will formally launch its premium beers in the United Kingdom on October 2, 2018 in conjunction with the London Boutique Bar Show (www.boutiquebarshow.com) which exclusively promotes new and high-quality drinks brands to the UK industry. CLV Frontier Brands beverages creates a whole world of new products that deliver a uniquely enjoyable drinking experience. Social media campaigns run by Rumpus PR in the UK are already established for pre- and post-launch activity to ensure organic growth and awareness for the Old Boy Mary Jane brand.

CLV Frontier Brands will partner with Flagship Brands in the UK who understand the UK market and are well respected having worked with various alcoholic drinks brands over the years.

CLV will also launch OBMJ at the key beer show Bar Convent Berlin (www.barconvent.com/de) 8-10 in October which provides excellent exposure to the European bar scene.

Branding of the first two beers to be launched by CLV Frontiers





In addition, the high-growth functional foods space provides lucrative opportunities for more cannabis-infused products. In partnership with Felchlin Switzerland, Creso's terpene-enriched functional MÒÁ line of chocolate brands is now in the hands of numerous businesses globally with the aim of bringing products to market by Q4 2018. Felchlin is a high and genuine Swiss chocolate producer and operates in line with Creso's quality standards.



Dr. Miri Halperin Wernli, Creso Pharma's CEO and co-founder said: "Creso has seen the potential for cannabis-enriched food and beverages. We are in the process of discussing agreements with partners to enter this market in countries across the world.

"Big beverage companies have seen the opportunity as consumer appetites grow for products infused with cannabis and enhanced with terpenes. Creso, with its established presence in the US and Canada, where the biggest potential currently lies, is perfectly positioned for its products to become a leader in this new and emerging field."

Creso continues to identify and secure agreements with experienced commercial partners across Europe, Israel, Australia and the Americas, further expanding the global reach of its Lifestyle products to increase the overall success and reach of all Creso owned brands.

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Notes to Editors

1) Creso Pharma has a portfolio covering five key areas of focus: Creso Therapeutics, Creso Nutraceuticals, Creso Animal Health, Creso Lifestyle and Creso Topicals. For further information visit www.cresopharma.com

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About Creso Pharma

www.cresopharma.com

Creso Pharma 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 uses GMP 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.

About LGC Capital Ltd

www.lgc-capital.com

LGC Capital is a leading investment firm with a focus on the Legal Global Cannabis market. Through its portfolio investment companies, LGC is building a world-leading, vertically integrated system of interconnected legal cannabis companies with cultivation, processing and distribution in Australia, Jamaica, Switzerland, Italy, and Canada serving domestic and export markets. LGC Capital Ltd. is a Canadian incorporated public company listed on the TSX Venture Exchange (TSXV: LG).

About Baltic Beer Company Ltd

www.virubeer.com

A UK-based company that created and markets an iconic Estonian beer brand called Viru Premium Estonian Beer. Viru beer is currently sold in numerous markets around the world including Australia, China, UK, Italy and Mexico to name a few and has won multiple awards including gold medals at Monde Selection, Brussels and the World Beer Championships Chicago.

Forward Looking statements

This announcement contains forward-looking statements with respect to Creso and CLV, and their 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 and CLV 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 neither Creso nor CLV has any obligation to up-date such statements, except to the extent required by applicable laws.



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