



Announcement Summary

Entity name

CRESO PHARMA LIMITED

Announcement Type

New announcement

Date of this announcement

8/8/2022

The Proposed issue is:

☒ A placement or other type of issue

Total number of +securities proposed to be issued for a placement or other type of issue

ASX +security code	+Security description	Maximum Number of +securities to be issued
New class-code to be confirmed	New Options	28,939,925
CPH	ORDINARY FULLY PAID	115,759,700

Proposed +issue date

25/11/2022

Refer to next page for full details of the announcement



Part 1 - Entity and announcement details

1.1 Name of +Entity

CRESO PHARMA LIMITED

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

If the +securities are being offered under a +disclosure document or +PDS and are intended to be quoted on ASX, we also apply for quotation of all of the +securities that may be issued under the +disclosure document or +PDS on the terms set out in Appendix 2A of the ASX Listing Rules (on the understanding that once the final number of +securities issued under the +disclosure document or +PDS is known, in accordance with Listing Rule 3.10.3C, we will complete and lodge with ASX an Appendix 2A online form notifying ASX of their issue and applying for their quotation).

1.2 Registered Number Type

ABN

Registration Number

89609406911

1.3 ASX issuer code

CPH

1.4 The announcement is

☒ New announcement

1.5 Date of this announcement

8/8/2022

1.6 The Proposed issue is:

☒ A placement or other type of issue



Part 7 - Details of proposed placement or other issue

Part 7A - Conditions

7A.1 Do any external approvals need to be obtained or other conditions satisfied before the placement or other type of issue can proceed on an unconditional basis?☒ Yes

7A.1a Conditions

Approval/Condition	Date for determination	Is the date estimated or actual?	** Approval received/condition met?
+Security holder approval	4/11/2022	<input checked="" type="checkbox"/> Estimated	No

Comments

Creso Pharma Limited ('Creso') has signed a non-binding term sheet with Health House International Ltd ('Health House' or 'HHI') under which it is proposed that Creso Pharma will acquire 100% of the shares in HHI by way of a scheme of arrangement to be undertaken by Health House (Scheme). The Scheme will be subject to shareholder and Court approval in accordance with the requirements of Part 5.1 of the Corporations Act 2001 (Cth). The proposed transaction is subject to Creso Pharma completing satisfactory due diligence on Health House and the satisfaction of a number of other conditions, which are considered standard for transactions of this nature. The date noted above is only for the purpose of this form and arbitrary. This date is the estimated date for shareholder approval of the SSH shareholders.

Approval/Condition	Date for determination	Is the date estimated or actual?	** Approval received/condition met?
Court approval	11/11/2022	<input checked="" type="checkbox"/> Estimated	No

Comments

Creso Pharma Limited ('Creso') has signed a non-binding term sheet with Health House International Ltd ('Health House' or 'HHI') under which it is proposed that Creso Pharma will acquire 100% of the shares in HHI by way of a scheme of arrangement to be undertaken by Health House (Scheme). The Scheme will be subject to shareholder and Court approval in accordance with the requirements of Part 5.1 of the Corporations Act 2001 (Cth). The proposed transaction is subject to Creso Pharma completing satisfactory due diligence on Health House and the satisfaction of a number of other conditions, which are considered standard for transactions of this nature. The date noted above is only for the purpose of this form and arbitrary.

Part 7B - Issue details

Is the proposed security a 'New class' (+securities in a class that is **Will the proposed issue of this +security include an offer of**



not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

☒ Existing class

attaching +securities?

☒ No

Details of +securities proposed to be issued

ASX +security code and description

CPH : ORDINARY FULLY PAID

Number of +securities proposed to be issued

115,759,700

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

☒ No

Please describe the consideration being provided for the +securities

Under the Scheme, should it proceed, Creso will issue approximately one (1) Creso share for every two (2) Health House shares held by Health House shareholders based on a maximum equity value for Health House of \$4,630,388 subject to adjustments for anticipated Health House debt at completion of the Scheme (to be agreed). The number of shares noted above is based on the recent placement price of 4c and is arbitrary, for the sole purpose of this Appendix 3B.

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities

4,630,388.000000

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

☒ Yes

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

☒ New class

Will the proposed issue of this +security include an offer of attaching +securities?

☒ No

Details of +securities proposed to be issued

ISIN Code (if Issuer is a foreign company and +securities are non CDIs)

Have you received confirmation from ASX that the terms of the proposed

Will the entity be seeking quotation of the 'new' class of +securities on

**+securities are appropriate and equitable under listing rule 6.1?**☒ No**ASX?**☒ Yes**ASX +security code**

New class-code to be confirmed

+Security description

New Options

+Security type

Options

Number of +securities proposed to be issued

28,939,925

Offer price details**Are the +securities proposed to be issued being issued for a cash consideration?**☒ No**Please describe the consideration being provided for the +securities**

Under the Scheme, should it proceed, Creso will issue approximately one (1) Creso share for every two (2) Health House shares held by Health House shareholders based on a maximum equity value for Health House of \$4,630,388 subject to adjustments for anticipated Health House debt at completion of the Scheme (to be agreed). In addition, for every four shares issued to the Health House shareholders by Creso, Health House shareholders will also receive one free option (exercise price \$0.08; expiring 4 years from issue). The number of securities noted above is arbitrary, for the sole purpose of this Appendix 3B.

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities**Will all the +securities issued in this class rank equally in all respects from their issue date?**☒ Yes

Options details

+Security currency

AUD - Australian Dollar

Exercise price

AUD 0.0800

Expiry date

25/11/2026

Details of the type of +security that will be issued if the option is exercised

CPH : ORDINARY FULLY PAID

Number of securities that will be issued if the option is exercised

One fully paid ordinary share (ASX:CPH).

Please provide a URL link for a document lodged with ASX setting out the material terms of the +securities proposed to be issued or provide the information by separate announcement.

For further information, please refer to the ASX release dated 29/07/[22.The](#) expiry date noted above is arbitrary and will be 4 years from the date of issue of the shares.



Part 7C - Timetable

7C.1 Proposed +issue date

25/11/2022

Part 7D - Listing Rule requirements

7D.1 Has the entity obtained, or is it obtaining, +security holder approval for the entire issue under listing rule 7.1?

☒ No

7D.1b Are any of the +securities proposed to be issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?

☒ No

7D.1c Are any of the +securities proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A (if applicable)?

☒ No

7D.2 Is a party referred to in listing rule 10.11 participating in the proposed issue?

☒ No

7D.3 Will any of the +securities to be issued be +restricted securities for the purposes of the listing rules?

☒ Yes

7D.3a Please enter, the number and +class of the +restricted securities and the date from which they will cease to be +restricted securities

Potentially. This question will be answered in the future via an updated Appendix 3B once the Company has conducted appropriate due diligence, if CPH still intends to proceed with the Scheme.

7D.4 Will any of the +securities to be issued be subject to +voluntary escrow?

☒ Yes

7D.4a Please enter the number and +class of the +securities subject to +voluntary escrow and the date from which they will cease to be subject to +voluntary escrow

Potentially. This question will be answered in the future via an updated Appendix 3B once the Company has conducted appropriate due diligence, if CPH still intends to proceed with the Scheme.

Part 7E - Fees and expenses

7E.1 Will there be a lead manager or broker to the proposed issue?

☒ No

7E.2 Is the proposed issue to be underwritten?



☒ No

7E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed issue

Sydney-based EverBlu Capital Corporate Pty Ltd is acting as Creso Pharma's corporate advisor for the proposed merger. EverBlu will receive a 7.5% transaction fee per the Transaction Mandate disclosed in ASX announcements dated 21 January 2020 and 26 March 2021. Perth-based CPS Capital Group Pty Ltd is acting as Health House's corporate advisor. CPS will receive a transaction fee.

Part 7F - Further Information

7F.01 The purpose(s) for which the entity is issuing the securities

Potential Acquisition of Health House International Ltd.

7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds?

☒ No

7F.2 Any other information the entity wishes to provide about the proposed issue

The number of securities, date of shareholder's meeting and date of issue of securities and other details in this Appendix 3B are arbitrary and subject to due diligence on Health House, the potential execution of a Scheme Implementation Deed, and shareholder and court approval. Refer to the release dated 29/07/2022 for further information.

7F.3 Any on-sale of the +securities proposed to be issued within 12 months of their date of issue will comply with the secondary sale provisions in sections 707(3) and 1012C(6) of the Corporations Act by virtue of:

☒ The publication of a cleansing notice under section 708A(5), 708AA(2)(f), 1012DA(5) or 1012DAA(2)(f)