



25 October 2022

Notice of Breach of ASX Listing Rule 10.11

Creso Pharma Limited (ASX:CPH, FRA:1X8) ('Creso Pharma' or 'the Company') refers to the announcement dated 25 February 2022, in which the Company announced its intention to undertake a placement to raise a total of \$5 million (before costs); and the Appendix 2A dated 2 March 2022, notifying of the issue of 67,851,467 shares to certain placement participants ("Placement").

While drafting a notice of meeting in relation to the Placement, the Company became aware that Suburban Holdings Pty Ltd ("Suburban"), an entity controlled by the parent of former director, Adam Blumenthal, had participated in the Placement. Pursuant to s228 of the Corporations Act 2001, a holding controlled by a parent of a director is deemed to be a related party of the Company. Therefore, Suburban's participation in the Placement required prior shareholder approval under ASX Listing Rule 10.11 and constitutes a breach of Listing Rule 10.11.

The breach was the result of an administrative oversight during the direct settlement of the Placement between the broker who managed the Placement, and the Company's share registry.

At the date of this announcement Suburban holds all 14,492,755 shares it received in the Placement. In accordance with a direction from ASX, Suburban has agreed to dispose of all shares it received in the Placement within six weeks of the date of this announcement. Any profit made on the disposal of the holding will be donated to an entity that is listed with the Australian Charities and Not-For-Profits Commission as a charity.

In addition, Suburban was also entitled to free attaching options in relation to the Placement. ASX has directed the Company not to issue these options to Suburban. The decisions of ASX are consistent with Section 6 in ASX Listing Rules Guidance Note 25.

The Company has reviewed its internal processes around settlements of placements and has implemented appropriate controls to ensure such a breach does not happen in the future.

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Authority and Contact Details

This announcement has been authorised for release by the Disclosure Committee of Creso Pharma Limited.

For further information, please contact:

Investor Enquiries

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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

This announcement contains forward-looking statements with respect to Creso 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 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 Creso has no obligation to up-date such statements, except to the extent required by applicable laws.