

Announcement Summary

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**Entity name**

CRESO PHARMA LIMITED

**Announcement Type**

New announcement

**Date of this announcement**

17/2/2023

**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**

<b>ASX +security code</b>	<b>+Security description</b>	<b>Maximum Number of +securities to be issued</b>
New class-code to be confirmed	\$0.03, expiry 18 months from the date of issue of Shares under the Placement	132,859,356
New class-code to be confirmed	\$0.03, expiry 18 months from the date of issue of Shares under the Placement	132,859,356
CPHOD	OPTION EXPIRING 31-JAN-2027	265,718,712
CPH	ORDINARY FULLY PAID	136,859,356

**Proposed +issue date**

23/2/2023

Refer to next page for full details of the announcement



## Part 1 - Entity and announcement details

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### 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

17/2/2023

### 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	31/5/2023	<input checked="" type="checkbox"/> Estimated	No

**Comments**

The following securities are subject to shareholder approval: a) 126,219,250 listed CPHOD options and 126,219,250 unlisted options to unrelated placement participants b) 6,640,106 Shares, 6,640,106 listed CPHOD options and 6,640,106 unlisted options to be issued to a related party under ASX listing rule 10.11 and c) 4,000,000 Shares, 132,859,356 listed CPHOD options and 132,859,356 unlisted options to Everblu Capital Corporate Pty Ltd ("Everblu") (or its nominees) for acting as the lead manager of the placement. 126,219,250 Shares to be issued to unrelated placement participants are not subject to shareholder approval.

## Part 7B - Issue details

**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)?**

 Existing class

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

 Yes

## Details of +securities proposed to be issued

**ASX +security code and description**

CPH : ORDINARY FULLY PAID

**Number of +securities proposed to be issued**

132,859,356

**Offer price details**



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

Yes

**In what currency is the cash consideration being paid?**

AUD - Australian Dollar

**What is the issue price per +security?**

AUD 0.01506

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

Yes

Attaching +Security

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**Is the proposed attaching 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)?**

Existing class

Attaching +Security - Existing class (additional +securities in a class that is already quoted or recorded by ASX)

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**Details of attaching +securities proposed to be issued**

**ASX +security code and description**

CPHOD : OPTION EXPIRING 31-JAN-2027

**Number of +securities proposed to be issued**

132,859,356

**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**

Free attaching listed options to placement participants ("Placement Options"). Refer to ASX release dated 17 February 2023.

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

**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 +securities are appropriate and equitable under listing rule 6.1?**  
 No

**Will the entity be seeking quotation of the 'new' class of +securities on ASX?**  
 No

**ASX +security code**

New class-code to be confirmed

**+Security description**

\$0.03, expiry 18 months from the date of issue of Shares under the Placement

**+Security type**

Options

**Number of +securities proposed to be issued**

132,859,356

**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**

Free attaching unlisted options to placement participants ("Placement Options"). Refer to ASX release dated 17 February 2023.

**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

<b>+Security currency</b>	<b>Exercise price</b>	<b>Expiry date</b>
AUD - Australian Dollar	AUD 0.0300	23/8/2024

**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

**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.**

Exercise price of \$0.03, expiry 18 months from the date of issue of Shares under the Placement, and otherwise on standard terms.

**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)?**

 Existing class

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

 No

## Details of +securities proposed to be issued

**ASX +security code and description**

CPHOD : OPTION EXPIRING 31-JAN-2027

**Number of +securities proposed to be issued**

132,859,356

**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**

Subject to shareholder approval, 132,859,356 Listed CPHOD Options to be issued to EverBlu as part consideration for acting as the lead manager to the Placement.

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

**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 +securities are appropriate and equitable under listing rule 6.1?

No

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

No

**ASX +security code**

New class-code to be confirmed

**+Security description**

\$0.03, expiry 18 months from the date of issue of Shares under the Placement

**+Security type**

Options

**Number of +securities proposed to be issued**

132,859,356

**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**

Subject to shareholder approval, 132,859,356 unlisted Options to be issued to EverBlu as part consideration for acting as the lead manager to the Placement.

**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

<b>+Security currency</b>	<b>Exercise price</b>	<b>Expiry date</b>
AUD - Australian Dollar	AUD 0.0300	23/8/2024

**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

**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.**

Exercise price of \$0.03, expiry 18 months from the date of issue of Shares under the Placement, and otherwise on standard terms.

**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)?**

Existing class

**Will the proposed issue of this +security include an offer of 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**

4,000,000

**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**

Subject to shareholder approval, 4,000,000 Shares to be issued to EverBlu as part consideration for acting as the lead manager to the Placement.

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

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

Yes





Part 7C - Timetable

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**7C.1 Proposed +issue date**

23/2/2023

Part 7D - Listing Rule requirements

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**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?**

Yes

**7D.1b ( i ) How many +securities are proposed to be issued without security holder approval using the entity's 15% placement capacity under listing rule 7.1?**

14,940,239 Shares, for which subscription funds were offset against invoices owed to an unrelated service provider to the Company

**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)?**

Yes

**7D.1c ( i ) How many +securities are proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A?**

111,279,011 fully paid ordinary shares

**7D.1c ( ii ) Please explain why the entity has chosen to do a placement rather than a +pro rata issue or an offer under a +security purchase plan in which existing ordinary +security holders would have been eligible to participate**

The Company notes the certainty of funds and immediacy of payment associated with a placement.

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

Yes

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

No

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

No



## Part 7E - Fees and expenses

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

Yes

#### 7E.1a Who is the lead manager/broker?

EverBlu Capital Corporate Pty Ltd acted as Lead Manager

#### 7E.1b What fee, commission or other consideration is payable to them for acting as lead manager/broker?

EverBlu will earn a 6% cash fee, and subject to shareholder approval, EverBlu (or their nominees) will receive 2 million Shares for every \$1 million raised under the Placement, and one Placement Option for every one Placement Option issued under the Placement, on the same terms and conditions as the Placement Options.

### 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

## Part 7F - Further Information

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

Refer to the ASX Release dated 17 February 2023.

### 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 Placement will be undertaken, as follows:

- 126,219,250 Shares (subject to rounding) within the Company's available placement capacity under ASX listing rules 7.1 and 7.1A on or around 23 February 2023;
- subject to shareholder approval, 6,640,106 Shares to be issued to a related party under ASX listing rule 10.11.

The remaining securities pursuant to this Appendix 3B and subject to shareholder approval, are anticipated to be issued prior to 30 June 2023. This date of issue will depend on the date of the General Meeting to seek approval for these securities.

Listed Placement Options have an estimated value of \$0.002 each (being the current market price). Unlisted Placement Options have an estimated value of \$0.001 each, based on a black & scholes valuation using a risk free rate of 3.813% and a volatility of 50%.

### 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)

