



## Announcement Summary

**Entity name**

CRESO PHARMA LIMITED

**Announcement Type**

New announcement

**Date of this announcement**

6/3/2023

**The Proposed issue is:** A non pro rata offer of securities under a disclosure document or product disclosure statement (PDS) A placement or other type of issue**Total number of +securities proposed to be issued for a non pro rata offer of securities under a disclosure document or product disclosure statement (PDS)**

ASX +security code	+Security description	Maximum Number of +securities to be issued
New class-code to be confirmed	CPHOPT49 - Unlisted Options (\$0.03, 31/01/2027)	20000000
CPHOD	OPTION EXPIRING 31-JAN-2027	150000000

**Closing date for receipt of acceptances**

13/4/2023

**Proposed +issue date**

14/4/2023

**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	CPHCON8 Convertible Notes - Tranche 2	800,000

**Proposed +issue date**

14/4/2023

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

6/3/2023

### 1.6 The Proposed issue is:

- A non-+pro rata offer of +securities under a +disclosure document or +PDS
- A placement or other type of issue



Part 5 - Details of proposed non-pro rata offer under a disclosure document or PDS

Part 5A - Conditions

**5A.1 Do any external approvals need to be obtained or other conditions satisfied before the non-pro rata offer of +securities under a +disclosure document or + PDS can proceed on an unconditional basis?**

Yes

5A.1a Conditions

Approval/Condition	Date for determination	Is the date estimated or actual?	** Approval received/condition met?
+Security holder approval	11/4/2023	<input checked="" type="checkbox"/> Estimated	

**Comments**

All securities will be subject to shareholder approval to be sought within 6 weeks of execution. The above date is an estimate only.

Part 5B - Offer 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?**

No

Details of +securities proposed to be issued

**ASX +security code and description**

CPHOD : OPTION EXPIRING 31-JAN-2027

**The number of +securities to be offered under the +disclosure document or +PDS**

50,000,000

**Will the offer be conditional on applications for a minimum number of +securities being received or a minimum amount being raised (i.e. a minimum subscription condition)?**

No



**Will individual security holders be required to accept the offer for a minimum number or value of +securities (i.e. a minimum acceptance condition)?**

No

**Will individual security holders be limited to accepting the offer for a maximum number or value of +securities (i.e. a maximum acceptance condition)?**

Yes

**Is the maximum acceptance unit based or dollar based?**

Unit based

**Please enter the maximum acceptance value**

50,000,000

#### Offer price details

**Has the offer price been determined?**

No

**How and when will the offer price be determined?**

The Options are being issued for nil cash consideration, in satisfaction of the obligation to issue Commitment Options under the Convertible Securities Agreements.

**Will the offer price be determined by way of a bookbuild?**

No

#### Oversubscription & Scale back details

**Will the entity be entitled to accept over-subscriptions?**

No

**Will a scale back be applied if the offer is over-subscribed?**

No

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

Yes

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**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**

CPHOPT49 - Unlisted Options (\$0.03, 31/01/2027)

**+Security type**

Options

**The number of +securities to be offered under the +disclosure document or +PDS**

20,000,000

**Will the offer be conditional on applications for a minimum number of +securities being received or a minimum amount being raised (i.e. a minimum subscription condition)?**

No

**Will individual security holders be required to accept the offer for a minimum number or value of +securities (i.e. a minimum acceptance condition)?**

No

**Will individual security holders be limited to accepting the offer for a maximum number or value of +securities (i.e. a maximum acceptance condition)?**

Yes

**Is the maximum acceptance unit based or dollar based?**

Unit based

**Please enter the maximum acceptance value**

20,000,000

**Offer price details**

**Has the offer price been determined?**

No

**How and when will the offer price be determined?**

The Options are being issued for nil cash consideration, in satisfaction of the obligation to issue Commitment Options under the Convertible Securities Agreements.

**Will the offer price be determined by way of a bookbuild?**

No



### Oversubscription & Scale back details

Will the entity be entitled to accept over-subscriptions?

No

Will a scale back be applied if the offer is over-subscribed?

No

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 0.0300

**Expiry date**

31/1/2027

**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.**

To be provided in a Notice of Meeting to be released on the Company's ASX platform in due course.

**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

**The number of +securities to be offered under the +disclosure document or +PDS**

100,000,000

**Will the offer be conditional on applications for a minimum number of +securities being received or a minimum amount being raised (i.e. a minimum subscription condition)?**



No

**Will individual security holders be required to accept the offer for a minimum number or value of +securities (i.e. a minimum acceptance condition)?**

No

**Will individual security holders be limited to accepting the offer for a maximum number or value of +securities (i.e. a maximum acceptance condition)?**

Yes

**Is the maximum acceptance unit based or dollar based?**

Unit based

**Please enter the maximum acceptance value**

100,000,000

#### Offer price details

**Has the offer price been determined?**

No

**How and when will the offer price be determined?**

The Options are being issued for nil cash consideration, in consideration for lead manager services provided in connection with the Convertible Securities Agreement raising.

**Will the offer price be determined by way of a bookbuild?**

No

#### Oversubscription & Scale back details

**Will the entity be entitled to accept over-subscriptions?**

No

**Will a scale back be applied if the offer is over-subscribed?**

No

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

Yes

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#### Part 5C - Timetable

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##### 5C.1 Lodgement date of +disclosure document or +PDS with ASIC

11/4/2023

##### 5C.2 Date when +disclosure document or +PDS and acceptance forms will



**be made available to investors**

12/4/2023

**5C.3 Offer open date**

12/4/2023

**5C.4 Closing date for receipt of acceptances**

13/4/2023

**5C.6 Proposed +issue date**

14/4/2023

Part 5D - Listing Rule requirements

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**5D.1 Has the entity obtained, or is it obtaining, +security holder approval for the entire issue under listing rule 7.1?**

Yes

**5D.1a Date of meeting or proposed meeting to approve the issue under listing rule 7.1**

11/4/2023

**5D.2 Is a party referred to in listing rule 10.11 participating in the proposed issue?**

Yes

Part 5E - Fees and expenses

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**5E.1 Will there be a lead manager or broker to the proposed offer?**

Yes

**5E.1a Who is the lead manager/broker?**

Everblu Capital Corporate Pty Ltd acted as lead manager on the Convertible Note raising to which the Options relate. Refer below.

**5E.1b What fee, commission or other consideration is payable to them for acting as lead manager/broker?**

As noted below.

**5E.2 Is the proposed offer to be underwritten?**

No

**5E.3 Will brokers who lodge acceptances or renunciations on behalf of eligible +security holders be paid a handling fee or commission?**

No



**5E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed offer**

As noted below.

Part 5F - Further Information

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**5F.01 The purpose(s) for which the entity intends to use the cash raised by the proposed issue**

No funds will be raised from the Option issues. Refer below for use of funds from the Convertible Securities Agreement raising to which the Options relate.

**5F.1 Will the entity be changing its dividend/distribution policy if the proposed offer is successful?**

No

**5F.2 Please explain the entity's allocation policy for the offer, including whether or not acceptances from existing +security holders will be given priority**

The offer of 50,000,000 CPHOD Options and 20,000,000 unquoted Options (\$0.03, 31/01/27) is open to SBC Global Investment Fund (or their nominee) only. The offer of 100,000,000 CPHOD Options is open to Everblu Capital (or their nominee) only.

**5F.3 URL on the entity's website where investors can download the +disclosure document or +PDS**

The disclosure document will be available on the Company's ASX announcements platform in due course.

**5F.4 Any other information the entity wishes to provide about the proposed offer**

Meeting and disclosure document dates are an estimate only.



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	11/4/2023	<input checked="" type="checkbox"/> Estimated	

**Comments**

Subject to shareholder approval to be sought within 6 weeks of execution.

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)?**

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**

CPHCON8 Convertible Notes - Tranche 2

**+Security type**

+Convertible debt securities

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

800,000

**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 1.00000

**Will all the +securities issued in this class rank equally in all respects from their issue date?** Yes**+Convertible debt securities details**

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**These securities are:**

Convertible

**Type of security**

Convertible note or bond

**+Security currency**

AUD - Australian Dollar

**Face value**

AUD 1.1111

**Interest rate type**

Fixed rate

**Frequency of coupon/interest payments per year**

Annual

**First interest payment date**

13/6/2023

**Interest rate per annum**

8.00000 %

**Is the interest rate per annum estimated at this time?** No**s128F of the Income Tax Assessment Act status applicable to the +security**

s128F exemption status unknown

**Is the +security perpetual (ie. no maturity date)?** No**Maturity date**

14/1/2024

**Select other features applicable to the +security** Redeemable Step-Up



- Subordinated
- Secured

**Is there a first trigger date on which a right of conversion, redemption, call or put can be exercised (whichever is first)?**

- No

**Details of the type of +security that will be issued if the securities are converted, transformed or exchanged**

CPH : ORDINARY FULLY PAID

**Number of +securities that will be issued if the +securities are converted, transformed or exchanged (including, if applicable, any interest)**

Shares equal to face value divided by lower of \$0.04 and 150% of the average of 5 daily VWAPs during 5 trading days prior to purchase.

**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.**

Refer to ASX announcement released 6 March 2023.

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#### Part 7C - Timetable

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

14/4/2023

#### 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?**

- Yes

**7D.1a Date of meeting or proposed meeting to approve the issue under listing rule 7.1**

11/4/2023

**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?**

- No

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

- No



Part 7E - Fees and expenses

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**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

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

6% cash fee on the funds raised under Tranche 1 (refer to separate Appendix 3B released today) and Tranche 2 Convertible Securities Agreements, and, subject to shareholder approval, 100m CPHOD Options as proposed in this Appendix 3B.

**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**

As disclosed in the Appendix 3B for Tranche 1 Convertible Securities Agreement, the Company will pay a commitment fee of 3% of the aggregate face value of each of the Tranche 1 and 2 Convertible Securities Agreements.

Part 7F - Further Information

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

To raise funds to support marketing and sales of existing products in Canada, Europe, and the US, further advancement of Halucenex's Phase II clinical trial, completion of pending M&A opportunities, general working capital, and to repay existing debt.

**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**

Interest is calculated on an annual basis, but payable with each conversion/redemption. The first interest payment date is an estimate based on the first amortization date.

The number of shares to be issued on conversion is that number of shares equal to the face value divided by the lower of \$0.04 and 150% of the average of the 5 daily VWAPs during the 5 trading days prior to Purchase Date. In addition, the parties have the right to convert portions of the face value under amortization provisions (as set out in the announcement released today), which may vary the number of securities ultimately issued.