

Announcement Summary

Entity name

CRESO PHARMA LIMITED

Announcement Type

New announcement

Date of this announcement

6/3/2023

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

ASX +security code	+Security description	Maximum Number of +securities to be issued
New class-code to be confirmed	La Plata Secured Convertible Notes 1	513
New class-code to be confirmed	La Plata Secured Convertible Notes 2	200
CPHOD	OPTION EXPIRING 31-JAN-2027	100,532,515

Proposed +issue date

28/4/2023

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

Registration Number

ABN

89609406911

1.3 ASX issuer code

CPH

1.4 The announcement is

C New announcement

1.5 Date of this announcement

6/3/2023

1.6 The Proposed issue is:

C A placement or other type of issue



Part 7 - Details of proposed placement or other issue

Part 7A - Conditions

7A.1a Conditions

Approval/Condition +Security holder approval Date for determination 24/4/2023

Is the date estimated or actual? & Estimated ** Approval received/condition met?

Comments

The Company intends to seek shareholder approval for the following potential issues: potential conversion of the proposed 713 Convertible Notes into an estimated 52,814,815 Shares (based on the 1 March 2023 USD/AUD exchange rate of 0.675) and 13,203,703 Options, the issue of 26,407,381 Investor Options and the issue of 74,125,134 Broker Options.

Part 7B - Issue details

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)

Will the entity be seeking quotation of the 'new' class of +securities on ASX? ☞ No
+Security description
La Plata Secured Convertible Notes 1



+Security type

+Convertible debt securities

Number of +securities proposed to be issued

513

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration? $\textcircled{\sc No}$ No

Please describe the consideration being provided for the +securities

The securities are being issued to restructure debt in accordance with the Converting Loan Deed. Refer to ASX release dated 27 January 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

+Convertible debt securities details

These securities are:	Type of security
Convertible	Convertible note or bond
+Security currency	Face value
USD - US Dollar	USD 2,500.0000
Interest rate type	
Fixed rate	
Frequency of coupon/interest payments per year	First interest payment date
Quarterly	
	31/3/2023
Interest rate per annum	Is the interest rate per annum
30.00000 %	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. noMaturity datematurity date)?17/7/2023

Select other features applicable to the +security ☑ 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)

To be calculated as face value (US\$2,500) converted to AUD, divided by A\$0.05. Plus 1 Conversion Option for every 4 Shares issued. Estimated 38,000,000 Shares and 9,500,000 Conversion Options.

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 release dated 27 January 2023.

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)

ASX +security code		+Security description	
	New class-code to be confirmed	La Plata Secured Convertible Notes 2	

+Security type

+Convertible debt securities

Number of +securities proposed to be issued

200



Offer price details

Are the +securities proposed to be issued being issued for a cash consideration? $\textcircled{\sc No}$

Please describe the consideration being provided for the +securities

Issued in consideration for the acquisition of a loan owed to La Plata by Abby & Finn LLC, with a face value of US\$500,000.

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

+Convertible debt securities details

These securities are: Convertible	Type of security Convertible note or bond
+Security currency USD - US Dollar	Face value USD 2,500.0000
Interest rate type Fixed rate	
Frequency of coupon/interest payments per year	First interest payment date
Quarterly	30/6/2023
Interest rate per annum 30.00000 %	Is the interest rate per annum estimated at this time? ເ∕ 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 2/3/2024
Select other features applicable to the +security	

C Secured



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)

To be calculated as face value (US\$2,500) converted to AUD, divided by A\$0.05. Plus 1 Conversion Option for every 4 Shares issued. Estimated 14,814,815 Shares and 3,703,703 Conversion Options.

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 releases dated 27 January 2023 and today.

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)? Securities 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

26,407,381

Offer price details

Please describe the consideration being provided for the +securities

Investor Options issued free on the basis of 37,037 Options issued for every US\$2,500 loaned under the La Plata Convertible Loan Deed (being La Plata Secured Convertible Notes 1 and La Plata Secured Convertible Notes 2).

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)? ✓ 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

74,125,134

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

To be issued to Everblu as fees in connection with the La Plata debt restructuring.

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

7C.1 Proposed +issue date

28/4/2023



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? Yes

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

24/4/2023

7D.2 Is a party referred to in listing rule 10.11 participating in the proposed issue? $\ensuremath{\mathfrak{C}}$ 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? $\ensuremath{\mathfrak{C}}$ No

Part 7E - Fees and expenses

7E.1 Will there be a lead manager or broker to the proposed issue? $\ensuremath{\mathfrak{C}}$ Yes

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

Everblu Capital Pty Ltd

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

Subject to shareholder approval, 74,125,134 CPHOD 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

Refer to the ASX release dated today and 27 January 2023.

Part 7F - Further Information

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

Refer to the ASX announcement dated 27 January 2023 and today.

7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds? \mathfrak{S}



No

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

The Tranche 1 Convertible Notes, and related portion of the Investor Options are those referred to in the ASX Announcement dated 27 January 2023, amended for a lower face value (and Investor Option ratio) to accommodate the inclusion of the Tranche 2 Convertible Notes within the Agreement. The value of the Tranche 1 Convertible Notes remains the same (US\$1,282,500).

The CPHOD Options to be issued to Everblu under this Appendix 3B, are those referred to originally in the Appendix 3B dated 27 January 2023, which was cancelled to facilitate changes to the terms of the Tranche 1 Convertible Notes mentioned above.