



Announcement Summary

Entity name

CRESO PHARMA LIMITED

Announcement Type

New announcement

Date of this announcement

Monday April 20, 2020

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
n/a	CPHCON3 Convertible Notes	1,000
n/a	CPHOPT26 Options	10,752,688
CPH	ORDINARY FULLY PAID	52,310,954

Proposed +issue date

Friday May 29, 2020

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.

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

Monday April 20, 2020

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 - Are any of the following approvals required for the placement or other type of issue?

- +Security holder approval
- Court approval
- Lodgement of court order with +ASIC
- ACCC approval
- FIRB approval
- Another approval/condition external to the entity

☒ Yes

7A.1a Conditions

Approval/Condition	Date for determination	Is the date estimated or actual?	** Approval received/condition met?
+Security holder approval	Friday May 29, 2020	<input checked="" type="checkbox"/> Estimated	No

Comments

The Company intends to seek shareholder approval for the issue of the securities the subject of this Appendix 3B at the Company's Annual General Meeting to be held on or around 29 May 2020.

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?

☒ No

Details of +securities proposed to be issued

ASX +Security Code and Description

CPH : ORDINARY FULLY PAID

Maximum Number of +securities proposed to be issued

15,000,000

**Purpose of the issue**

The Company has agreed, subject to shareholder approval, to issue 15,000,000 Subsequent Collateral Shares to Lind Global Macro Fund, LP ("Lind") for nil cash consideration under the Lind Convertible Security Funding Agreement dated 18 April 2020 ("Lind CSFA"). The issue price quoted below is a deemed issue price, based on the closing price of CPH shares on ASX as at 17 April 2020. Refer to the ASX announcement titled "Funding Update" dated 20 April 2020 for further information.

Offer price details for retail security holders**In what currency is the cash consideration being paid?**

AUD - Australian Dollar

What is the issue price per +security?

AUD 0.08200

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?☒ Yes**Oversubscription & Scale back details****May a scale back be applied to this event?**☒ No**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

Maximum Number of +securities proposed to be issued

15,000,000

Purpose of the issue

The Company has agreed, subject to shareholder approval, to issue up to 15,000,000 Additional Collateral Shares to Lind for nil cash consideration under the Lind CSFA. These Additional Collateral Shares will only be issuable in certain circumstances. The issue price quoted below is a deemed issue price, based on the closing price of CPH shares on ASX as at 17 April 2020. Refer to the ASX announcement titled "Funding Update" dated 20 April 2020 for further information.

Offer price details for retail security holders**In what currency is the cash consideration being paid?**

AUD - Australian Dollar

What is the issue price per +security?

AUD 0.08200



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

☒ Yes

Oversubscription & Scale back details

May a scale back be applied to this event?

☒ No

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

CPHCON3 Convertible Notes

+Security Type

Convertible Debt Securities

Maximum Number of +securities proposed to be issued

1,000

Purpose of the issue

The Company has agreed, subject to shareholder approval, to issue 1 Convertible Note with a face value of \$1,111,111 and a subscription price of \$1,000,000 to Lind under the Lind CSFA. Refer to the ASX announcement titled "Funding Update" dated 20 April 2020 for further information. (NB: This is shown as 1,000 notes with a face value of \$1,111.111 due to limitations in the Appendix 3B Form. As set out above, the Company will issue 1 Note with a face value of \$1,111,111)

Offer price details for retail security holders

In what currency is the cash consideration being paid?

AUD - Australian Dollar

What is the issue price per +security?

AUD 1,000.00000



Will all the +securities issued in this class rank equally in all respects from their issue date?

☒ Yes

Oversubscription & Scale back details

May a scale back be applied to this event?

☒ No

Convertible Debt +Securities details

These securities are:

Convertible

Type of security

Convertible Bond

+Security Currency

AUD - Australian Dollar

Face Value

AUD 1,111.1110

Interest Rate Type

Fixed rate

Frequency of Coupon/Interest Payments Per Year

Semi Annual

First Payment Date

Sunday October 18, 2020

Interest Rate (p.a.)

4.00000 %

Is Interest Rate (p.a) estimated at this time?

☒ No

s128F of the Income Tax Assessment Act status applicable to the security

Not applicable

Is the security Perpetual (ie. No maturity)?

☒ No

Maturity Date

Wednesday April 21, 2021

Is the Security Subordinated?

☒ No

Is the Security Secured?

☒ Yes

Select other features applicable to the security

☒ Redeemable

Is a First Trigger Date on which conversion, redemption, call or put can occur (whichever is first) applicable?

☒ Yes

If Yes, then provide First Trigger Date

Friday May 29, 2020

**Details of the existing class of +security that will be issued upon exercise or conversion of this new class of +security**

CPH : ORDINARY FULLY PAID

Please provide any further information relating to the principal terms of the +securities

Refer to the ASX announcement titled "Funding Update" dated 20 April 2020 for further information.

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

CPHOPT26 Options

+Security Type

Options

Maximum Number of +securities proposed to be issued

10,752,688

Purpose of the issue

The Company has agreed, subject to shareholder approval, to issue 10,752,688 CPHOPT26 Options under the Lind CSFA. The CPHOPT26 Options will be issued for nil cash consideration, with a deemed value of \$0.04 per Option based on a Black Scholes valuation as at 16 April 2020. Refer to the ASX announcement titled "Funding Update" dated 20 April 2020 for further information.

Offer price details for retail security holders

In what currency is the cash consideration being paid?

AUD - Australian Dollar

What is the issue price per +security?

AUD 0.04000

Will all the +securities issued in this class rank equally in all respects from their issue date?

☒ Yes



Oversubscription & Scale back details

May a scale back be applied to this event?

☒ No

Options details

+Security Currency

AUD - Australian Dollar

Exercise Price

AUD 0.1386

Expiry date

Monday May 29, 2023

Details of the existing class of +security that will be issued upon exercise or conversion of this new class of company option

CPH : ORDINARY FULLY PAID

Please provide any further information relating to the principal terms of the +securities

CPHOPT26 Options will be a new class of unlisted options, each with an exercise price of \$0.1386 and an expiry date which will be 36 months from the date of issue. (NB: The expiry quoted above is an estimate only and is subject to change)

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

Maximum Number of +securities proposed to be issued

15,000,000

Purpose of the issue

The Company has agreed, subject to shareholder approval, to issue 15,000,000 Additional Collateral Shares to L1 Capital Global Master Fund ("L1 Capital"), for nil cash consideration under the Original Convertible Securities Agreement (as announced on 28/11/2019 & 31/12/2019). The issue price quoted below is a deemed issue price, based on the closing price of CPH shares on ASX as at 17 April 2020. Refer to the ASX announcement titled "Funding Update" dated 20 April 2020 for further information.

Offer price details for retail security holders



In what currency is the cash consideration being paid?

AUD - Australian Dollar

What is the issue price per +security?

AUD 0.08200

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

☒ Yes

Oversubscription & Scale back details

May a scale back be applied to this event?

☒ No

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

Maximum Number of +securities proposed to be issued

2,000,000

Purpose of the issue

The Company has agreed, subject to shareholder approval, to issue 2,000,000 Additional Collateral Shares to Chifley Portfolios Pty Ltd ("Chifley"), for nil cash consideration under the Original Convertible Securities Agreement (as announced on 28/11/2019 and 31/12/2019). The issue price quoted below is a deemed issue price, based on the closing price of CPH shares on ASX as at 17 April 2020. Refer to the ASX announcement titled "Funding Update" dated 20 April 2020 for further information.

Offer price details for retail security holders

In what currency is the cash consideration being paid?

AUD - Australian Dollar

What is the issue price per +security?

AUD 0.08200

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

☒ Yes

Oversubscription & Scale back details



May a scale back be applied to this event?

☒ No

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

Maximum Number of +securities proposed to be issued

5,310,954

Purpose of the issue

The Company has agreed, subject to shareholder approval, to issue 5,310,954 Shares, for nil cash consideration under the Settlement Agreement between Asaf Cohen, Cohen Propagation Nurseries Ltd and other parties ("Cohen Settlement"). The issue price quoted below is a deemed issue price, based on the closing price of CPH shares on ASX as at 17 April 2020. Refer to the ASX announcement titled "Israeli JV Update" dated 20 April 2020 for further information.

Offer price details for retail security holders

In what currency is the cash consideration being paid?

AUD - Australian Dollar

What is the issue price per +security?

AUD 0.08200

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

☒ Yes

Oversubscription & Scale back details

May a scale back be applied to this event?

☒ No

Part 7C - Timetable



7C.1 Proposed +issue date

Friday May 29, 2020

Part 7D - Listing Rule requirements

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

☒ Yes

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

Friday May 29, 2020

7D.2 Is a party referred to in listing rule 10.11.1 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

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

Whilst no fees are payable to a lead manager or broker for the issue of securities the subject of this Appendix 3B, the issues (excluding the Cohen Settlement) form part of capital raising transactions between the Company and each of Lind, L1 Capital and Chifley, in which Everblu Capital Pty Ltd acted as lead manager.

For further information regarding fees payable to Everblu Capital Pty Ltd under the capital raising transactions, please refer to ASX announcements dated 28 November 2019, 31 December 2019 and 20 April 2020.

Part 7F - Further Information



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