



17 February 2023

Creso Pharma secures firm commitments to raise \$2m

Highlights:

- Firm commitments to raise \$2m at an issue price of \$0.01506 per Share (the 'Placement')
- Placement includes \$100,000 commitment from CEO and Managing Director (subject to Shareholder approval)
- New funding to be used for increased sales and marketing in the US, completion of milestone phase II clinical trial utilising psilocybin and additional M&A opportunities
- Completion of Placement follows Company's record revenue growth of 44% to \$8.95m in FY2022 and considerable reduction in net operating expenditure
- Board and management remain committed to simultaneously grow revenue and decrease costs across the Creso Pharma group of companies

Creso Pharma Limited (ASX:CPH, FRA:1X8) ('Creso Pharma' or 'the Company') is pleased to advise that it has secured firm commitments from new and existing institutional, professional and sophisticated investors to raise \$2m (before costs) through the issue of approximately 132,859,356 fully paid ordinary shares ('Shares') at an issue price of \$0.01506 per Share (the 'Placement').

The total amount raised includes a \$100,000 commitment from group CEO and Managing Director Mr William Lay (or his nominee), which will be subject to Shareholder approval at a future General Meeting.

Funds from the placement are intended to be used towards sales and marketing initiatives in the US, completion of Halucenex Life Sciences Inc.'s phase II clinical trial to test the efficacy of psilocybin on treatment resistant Post Traumatic Stress Disorder (PTSD), pending M&A opportunities, product development initiatives, costs of the offer and the repayment of existing debt.

Subject to shareholder approval, investors will receive two options for every one Placement Share subscribed for and issued. These include one free attaching listed option (ASX: CPHOD) exercisable at \$0.08 on or before 31 January 2027) ("Placement Options 1") and one free attaching unlisted option exercisable at \$0.03 on or before the date that is 18 months from the issue date of the Shares under the Placement ('Placement Options 2') (collectively, the 'Placement Options').

126,219,250 Placement Shares (subject to rounding) to be issued to unrelated parties are anticipated to be issued on or around 23 February 2023, with 111,279,011 Shares to be issued out of the Company's existing Listing Rule 7.1A placement capacity, and 14,940,239 to be issued out of the Company's existing Listing Rule 7.1 placement capacity. 6,640,106 Placement Shares to be issued to Mr William Lay will be issued following receipt of Shareholder approval, which is intended to be sought prior to 30 June 2023. 132,859,356 Placement Options 1 and 132,859,356 Placement Options 2 (each subject to rounding) will be issued following receipt of Shareholder approval, which is intended to be sought prior to 30 June 2023.

The issue price represents a 16.33% discount to the last closing price of \$0.018 on 14 February 2023.



Management commentary:

CEO and Managing Director, Mr William Lay said: *"The Company received strong support from a range of investors for this Placement. I would like to take this opportunity to welcome new investors to the register, as well as thank existing Shareholders for their support.*

"The funds raised come at a critical growth period for the Creso Pharma group. The Company continues to achieve record revenue growth and has a number of initiatives underway which are expected to unlock considerable value for Shareholders."

Lead manager:

EverBlu Capital Corporate Pty Ltd ("EverBlu") acted as lead manager to the Placement. EverBlu will earn a 6% cash fee on the gross amount raised under the Placement (approximately \$120,000). Subject to Shareholder approval, EverBlu will also receive 2 million Shares per \$1 million raised ("Broker Shares"), and the same number of listed and unlisted options ("Broker Options") as issued to investors under the Placement (132,859,356 Placement Options 1 and 132,859,356 Placement Options 2 (subject to rounding)). The issue of the Broker Shares and Broker Options remain subject to Shareholder approval, which is anticipated to be sought prior to 30 June 2023.

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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:

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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.

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