



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

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

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

Part 5C - Timetable

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

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

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

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****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.

Part 7C - Timetable

7C.1 Proposed +issue date

14/4/2023

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

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

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

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.