



Announcement Summary

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**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**

<b>ASX +security code</b>	<b>+Security description</b>	<b>Maximum Number of +securities to be issued</b>
New class-code to be confirmed	CPHCON7 Convertible Notes - Tranche 1	1,700,000

**Proposed +issue date**

10/3/2023

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 placement or other type of issue



Part 7 - Details of proposed placement or other issue

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Part 7A - Conditions

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**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?**

No

Part 7B - Issue details

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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

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**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**

CPHCON7 Convertible Notes - Tranche 1

**+Security type**

+Convertible debt securities

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

1,700,000

**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**

9/5/2023

**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**

10/12/2023

**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 the 5 daily VWAPs during the 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 on ASX on 6 March 2023.

Part 7C - Timetable

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

10/3/2023

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?**

No

**7D.1b Are any of the +securities proposed to be issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?**

Yes

**7D.1b ( i ) How many +securities are proposed to be issued without security holder approval using the entity's 15% placement capacity under listing rule 7.1?**

Agreement to issue up to 218,976,674 Shares on conversion of the Tranche 1 Convertible Notes.

**7D.1c Are any of the +securities proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A (if applicable)?**

No

**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 and Tranche 2 Convertible Notes (refer to separate Appendix 3B released today), and, subject to shareholder approval 100m 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**

The Company will pay a commitment fee of 3% of the aggregate face value of each of the Tranche 1 and 2 Convertible Notes.

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. The maximum number of Shares able to be issued is 218,976,674.