



Announcement Summary

Entity name

CRESO PHARMA LIMITED

Announcement Type

New announcement

Date of this announcement

15/8/2022

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	Performance Rights	2,000,000
CPH	ORDINARY FULLY PAID	100,000

Proposed +issue date

30/9/2022

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

15/8/2022

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 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	30/9/2022	<input checked="" type="checkbox"/> Estimated	No

Comments

The date of the above General Meeting is an estimate only. The Company will seek shareholder approval for the issue of 2 million performance rights the subject of this Appendix 3B at a future General Meeting. It is intended that 100,000 shares be issued to Kolby Tullier (or his nominee) under the Company's existing capacity under Listing Rule 7.1 on or around 19 August 2022. For further information on the securities, refer to the ASX release dated 15 August 2022.

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

Number of +securities proposed to be issued

100,000

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

100,000 shares to be issued to Mr Tullier (or his nominee), as part consideration for his services under his Brand Ambassador and Strategic Adviser Agreement with subsidiary, Creso Pharma ImpACTIVE Inc.

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)?

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

Performance Rights

+Security type

Performance options/rights

Number of +securities proposed to be issued

2,000,000

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**

Subject to shareholder approval, 2 million performance rights are proposed to be issued to Mr Tullier or his nominee, as part consideration for his services under his Brand Ambassador and Strategic Adviser Agreement with subsidiary, Creso Pharma ImpACTIVE ("ImpACTIVE"). The vesting of the performance rights will be subject to the following conditions:

- 500,000 performance rights, subject to vesting upon the achievement of at least \$5 million in audited gross sales revenue in ImpACTIVE based on the US GAAP definition of gross sales on or before 12 August 2025;
- 500,000 performance rights, subject to vesting upon the achievement of at least \$10 million in audited gross sales revenue in ImpACTIVE based on the US GAAP definition of gross sales on or before 12 August 2026; and
- 1,000,000 performance rights, subject to vesting upon the achievement of at least \$20 million in audited gross sales revenue in ImpACTIVE based on the US GAAP definition of gross sales on or before 12 August 2027.

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

Performance options/rights details

+Security currency	Exercise price	Expiry date
AUD - Australian Dollar	AUD 0.0000	11/8/2027

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 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.

Please note that the material terms of these Performance Rights are set out in the ASX release dated on or around 15 August 2022. Fullsome terms and conditions based on these material terms will be included in the Notice of Meeting for a future General Meeting of the Company, to be released on the ASX in due course.

Part 7C - Timetable

7C.1 Proposed +issue date

30/9/2022



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?

100,000 shares.

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

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

N/A

Part 7F - Further Information

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

Proposed issues of securities to Mr Tullier as part consideration for his services under his Brand Ambassador and Strategic Adviser Agreement with subsidiary, ImpACTIVE.



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

The date of the above General Meeting is an estimate only. The Company will seek shareholder approval for the issue of 2 million performance rights the subject of this Appendix 3B at a future General Meeting. It is intended that 100,000 shares be issued to Kolby Tullier (or his nominee) under the Company's existing capacity under Listing Rule 7.1 on or around 19 August 2022. For further information on the securities, refer to the ASX release dated 15 August 2022.

7F.3 Any on-sale of the +securities proposed to be issued within 12 months of their date of issue will comply with the secondary sale provisions in sections 707(3) and 1012C(6) of the Corporations Act by virtue of:

The publication of a cleansing notice under section 708A(5), 708AA(2)(f), 1012DA(5) or 1012DAA(2)(f)