



ASX Announcement

31 December 2019

## Convertible Note Facility Drawdown

On 28 November 2019, Creso Pharma Limited (ASX:CPH) (**'Creso Pharma'** or **'the Company'**) announced that it had entered into convertible securities agreements with professional and sophisticated investors to enable the Company to raise up to \$8,200,000 (**Convertible Securities Agreements**), comprising of:

- (a) an initial convertible security facility to enable the Company to raise up to \$5,500,000 through the issue of up to 6,111,111 debt securities, which, subject to Shareholder approval being obtained, will convert into convertible equity securities (**Tranche 1 Convertible Note Facility**); and
- (b) an additional convertible security facility to enable the Company to raise up to a further \$2,700,000 (**Tranche 2 Convertible Note Facility**).

The Company now confirms that it has drawn down a further \$517,500 under the Tranche 2 Convertible Note Facility and issued additional Debt Notes with a face value of \$575,000 to L1 Capital Global Opportunities Master Fund (**L1 Capital**).

In addition, the Company has agreed to permit L1 Capital to freely deal with the collateral shares that had previously been issued to it and may be issued to it in the future, and has agreed that the conversion price of the convertible securities and the price at which the investor may purchase the collateral shares be amended to the lesser of 90% of the lowest daily VWAP during the 40 actual trading days immediately prior to (as relevant) the conversion notice date, date of the collateral purchase notice or date of the event of default collateral purchase notice, rounded down to the nearest A\$0.01, and the fixed conversion price.

It is the Company's intention to replace these additional Debt Notes with the Tranche 2 Convertible Notes that are the subject of Resolution 11 set out in the Company's notice of general meeting dated 17 December 2019 (subject to Resolution 11 being approved by the Company's shareholders at the meeting).

**Ends.**

### Authority and Contact Details

This announcement has been authorised for release by Dr Miri Halperin Wernli, CEO and Managing Director of Creso Pharma Limited.



For further information, please contact:

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**About Creso Pharma**

Creso Pharma 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](http://www.cresopharma.com)

**Forward Looking statements**

This announcement contains forward-looking statements with respect to Creso Pharma 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 Pharma 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 Pharma and persons acting on its behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this announcement and Creso Pharma has no obligation to up-date such statements, except to the extent required by applicable laws.