



1 June 2020

Creso Pharma Receives Firm Commitments to Raise A\$2.137M

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 sophisticated and professional investors to raise A\$2.137 million (before costs) through the issue of new fully paid ordinary shares ('Shares') in the Company ('Placement').

The Company will issue 35,619,008 new Shares under the Placement at an issue price of \$0.06 per new Share, which represents a 14.5% discount to the 10-day VWAP calculated over the 10 trading days prior to 27 May 2020.

The Placement has been strongly supported by new and existing investors, with A\$400,000 in cornerstone commitments received from two US-based institutional investors (for a total of A\$300,000) and the Company's Board of Directors (A\$100,000), subject to shareholder approval and the consent of the Company's existing secured investors.

The Placement will be settled in three tranches, with:

- a) 20,780,936 Shares issued on Friday, 29 May 2020 pursuant to the Company's available placement capacity under Listing Rule 7.1A;
- b) 13,171,405 Shares which will be issued on or around 2 June 2020 pursuant to the Company's available placement capacity under Listing Rule 7.1, subject to the consent of the secured investors; and
- c) 1,666,667 Shares being issued to the Directors of the Company, subject to shareholder approval and the consent of the Company's existing secured investors.

EverBlu Capital Pty Ltd ('EverBlu') acted as lead manager and corporate advisor for the Placement. EverBlu will receive a fee of 6% of the total funds raised and, subject to shareholder approval and the consent of the Company's existing secured investors, be issued 3 Shares for every \$4 raised under the Placement.

The Company confirms that the fees payable to EverBlu were negotiated on an arm's length basis, and are on commercial terms.

Funds raised under the Placement will be deployed towards accelerating growth across the Company's existing human and animal health CBD product lines, repayment of outstanding debt and creditors and for general working capital purposes.

The Company requests that the current trading halt remains in place until the Company makes a further announcement on Tuesday, 2 June 2020 in relation to settlement of the second tranche of the Placement.

Creso Pharma's CEO and Co-Founder Dr Miri Halperin Wernli, commented: "We are very pleased with the strong level of demand received for this capital raising and I would like to take this opportunity to welcome a number of new investors to the register."



Creso Pharma is continuing to see strong demand for our nutraceutical and animal feed products across our key target markets which is very encouraging and I look forward to reporting on further developments and opportunities in the near-term.”

-Ends-

Authority and Contact Details

This announcement has been authorised for release by the Board of Creso Pharma Limited.

For further information, please contact:

Investor Enquiries

EverBlu Capital

E: info@everblucapital.com

P: +61 2 8249 0000

Released through:

Ben Jarvis, Six Degrees Investor Relations: Ph: +61 (0) 413 150 448

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

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.