



Announcement Summary

Entity name

CRESO PHARMA LIMITED

Announcement Type

New announcement

Date of this announcement

27/1/2023

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

ASX +security code	+Security description	Maximum Number of +securities to be issued
New class-code to be confirmed	Secured Convertible Notes	4
New class-code to be confirmed	Investor Options	4,000,000
CPH	ORDINARY FULLY PAID	166,809,645

Proposed +issue date

15/3/2023

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

27/1/2023

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	31/3/2023	<input checked="" type="checkbox"/> Estimated	No

Comments

The Company intends to seek shareholder approval for the following potential issues: potential conversion of the proposed 4 secured convertible notes into an estimated 7,720,903 shares and 1,930,225 Conversion Options and the issue of 4,000,000 Investor Options; estimated maximum number of shares to be issued of 95,319,797 (settlement of La Plata debt) and 71,489,848 (consideration to equity holders) under the Abby and Finn LOI for the acquisition of assets of Abby and Finn.

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

Secured Convertible Notes

+Security type

+Convertible debt securities

Number of +securities proposed to be issued

4

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**

The securities are proposed to be issued as part consideration for the proposed acquisition of the assets of Abby and Finn. Refer to ASX Release dated 27 January 2023 for further details

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**+Convertible debt securities details****These securities are:**

Convertible

Type of security

Convertible note or bond

+Security currency

USD - US Dollar

Face value

USD 67,500.0000

Interest rate type

Fixed rate

Frequency of coupon/interest payments per year

Quarterly

First interest payment date

31/3/2023

Interest rate per annum

30.00000 %

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

27/7/2023

Select other features applicable to the +security

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)

To be calculated as face value (US\$67,500) converted to AUD, divided by A\$0.05. Plus 1 Conversion Option for every 4 shares issued. Estimated 7,720,903 shares (FX rate of \$0.6994) & 1,930,225 options

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 the ASX release dated 27 January 2023

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?

Yes

ASX +security code

New class-code to be confirmed

+Security description

Investor Options

+Security type

Options



Number of +securities proposed to be issued

4,000,000

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

Issue of 1 million investor options for each US\$67,500 invested

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

Options details

+Security currency

AUD - Australian Dollar

Exercise price

AUD 0.0800

Expiry date

15/3/2027

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

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 the ASX release dated 27 January 2023

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

95,319,797

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

The securities are proposed to be issued as part consideration for the proposed acquisition of the assets of Abby and Finn. Refer to ASX Release dated 27 January 2023 for further details

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)?

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

71,489,848

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

The securities are proposed to be issued as part consideration for the proposed acquisition of the assets of Abby and Finn. Refer to ASX Release dated 27 January 2023 for further details.

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

Part 7C - Timetable

7C.1 Proposed +issue date

15/3/2023

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?

Yes

7D.1a Date of meeting or proposed meeting to approve the issue under listing rule 7.1

15/3/2023

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?

Yes

7D.4a Please enter the number and +class of the +securities subject to +voluntary escrow and the date from which they will cease to be subject to +voluntary escrow

Shares issued in settlement of US\$1m due to La Plata (estimated max of 95,319,797 shares) will be escrowed as follows: 37.5% escrowed for 6 months from the date of the closing of the Transaction; 37.5% escrowed for 12 months from the date of the closing of the Transaction.

Shares issued on settlement of US\$750,000 payable to Abby and Finn equity holders (estimated max of 71,489,848 shares) will be escrowed for a period of 12 months from the date of the closing of the Transaction.



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

Part 7F - Further Information

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

Refer to ASX Announcement dated 27 January 2023

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

Both the Investor Options and the Conversion Options shall have the same terms and conditions as the options announced on 4 August 2022. Refer to the announcement titled 'Capital Raising & Q2 22 Quarterly Activities Report Updates'

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)