



ASX Announcement

27 March, 2017

Creso Pharma announces heavily oversubscribed placement and share purchase plan

Highlights:

- **Significantly oversubscribed Placement to sophisticated and professional investors raises \$8 million**
- **Raise was expanded to accommodate demand from an international investment group and institutional and professional investors from Asia, Australia and the US**
- **Existing shareholders to be offered an opportunity to invest through a SPP to raise up to an additional \$1 million**
- **The funds raised will enable Creso to fast-track the commercialisation of its animal and human health nutraceutical products, with first products expected to be brought to market in the second quarter/third quarter 2017**
- **Creso's existing cash position to increase to in excess of \$11m**

Creso Pharma Limited (ASX:CPH, the "Company" or "Creso") is pleased to announce that it has successfully completed a bookbuild to raise \$8m through a heavily oversubscribed placement to institutional and professional investors, which closed early on Thursday, 23 March 2017 ("Placement").

Originally expecting to raise up to \$5.6m, the Placement was expanded to \$8m (an additional \$2.4m) in order to accommodate high demand from an international investment group and other domestic and international investors.

The Placement will be conducted in two tranches. The first tranche of \$5.6m will be completed this week pursuant to the Company's available capacity under ASX Listing Rule 7.1. The additional tranche, of approximately \$2.4m, intended to be allocated to an international investment group, will be completed following the receipt of necessary shareholder approval at Creso's Annual General Meeting being held on 12 April 2017.

The issue price under the Placement is \$0.69 a share, representing a 16.4% discount to Creso's last trading price of \$0.825 (being the closing price on Wednesday, 22 March 2017).

In recognition of the Company's existing shareholders, Creso's eligible shareholders will have the opportunity to participate via a Share Purchase Plan at the same issue price per share of \$0.69 ("SPP"). The Company intends to raise up to \$1,000,000 under the SPP and this amount has been underwritten. The record date for participation in the SPP is 24 March 2017. It is anticipated that the further details of the SPP will be announced and dispatched on Tuesday, 28 March 2017.



The funds raised under the Placement and SPP are intended to be used to:

- (a) fast-track the commercialisation of the Company's cannabinoid-derived animal and human health nutraceuticals and other medical cannabis products;
- (b) expand the Company's development pipeline with additional products that utilise innovative delivery technologies in order to optimize bioactivity and absorption of cannabinoids;
- (c) diversify Creso's business to new geographic regions;
- (d) grow the Company's workforce; and
- (e) fund general working capital, including sales and marketing activities.

"Creso has made significant progress with its commercialisation plans and its geographic expansion over the past few months. This additional funding puts us in a very strong position to achieve further significant progress and we expect to announce a number of key milestones over the remainder of 2017," said Creso Pharma CEO and Co-Founder, Dr. Miri Halperin Wernli.

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About Creso Pharma

Creso Pharma brings pharmaceutical expertise and methodological rigour to the world of medical cannabis and strives for the highest quality in its products. It is the leader in cannabidiol (CBD) innovation and develops cannabis- and hemp-derived therapeutic-grade CBD nutraceuticals and medical cannabis products with wide patient reach for human and animal health. Creso uses GMP 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. The Company is already generating revenues via its subsidiary, Hemp-Industries.

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