



## **MATERIALS FOR ANNUAL GENERAL MEETING**

**Melbourne, Australia, 27 October 2020** - Cronos Australia Limited (ASX:CAU, "Cronos Australia" or "Company") is pleased to release the attached presentation which will be delivered at the Company's 2020 Annual General Meeting of shareholders to be held at 10.00 am this morning via Zoom videoconference.

**\*\* ENDS \*\***

### **About Cronos Australia**

Cronos Australia Limited is a public company listed on the ASX (ASX: CAU). Cronos Australia was established to take advantage of opportunities relating to the emerging cannabis industry both domestically and internationally. The vision of Cronos Australia is to become a leading health and wellness company in the Asia Pacific region through the creation and distribution of premium medical and consumer cannabinoid products and services. The Company's largest shareholder is Cronos Group Inc. (NASDAQ:CRON; TSX:CRON).

- Cronos Australia distributes the PEACE NATURALS™ and Adaya ranges of medicinal cannabis products nationwide in Australia through medical practitioners via the Special Access Scheme, Authorised Prescribers or Clinical Trials.
- Cronos Australia has a 51% interest in Cannadoc Health Pty Ltd, a medicinal cannabis clinic business that undertakes face-to-face and nationwide telehealth consultations with patients seeking access to medicinal cannabis.
- Cronos Australia has established operations in Hong Kong and Japan for the development of ranges of cannabinoid brands and products and their distribution into global consumer markets.
- Cronos Australia has a 50/50 joint venture with A&S Branding, the founders of Sukin Natural Skincare, for the development of CBD products for sale in domestic and export markets.

### **Authorised by**

Rodney Cocks, Chief Executive Officer and Executive Director

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### **Forward-looking statements**

This announcement may include forward-looking statements. These forward-looking statements are based on Cronos Australia's expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Cronos Australia, which could cause actual results to differ materially from such statements. Cronos Australia makes no undertaking to update or revise the forward-looking statements made in this announcement to reflect any change in circumstances or events after the date of this announcement.

# CRONOS

A U S T R A L I A

Annual General Meeting

Tuesday, 27 October 2020

# Item 1: Consideration of financial statements & reports

To receive and consider the Financial Report, the Directors' Report and the Auditor's Report for the year ended 30 June 2020.

## **Proxy votes received**

No vote is required

## Item 2: Adoption of Remuneration Report

That the Remuneration Report section of the Directors' Report for the Company for the year ended 30 June 2020 be adopted.

### Proxy votes received (% of total)

For:	41,129,979 (94.30%)
Against:	2,242,509 (5.14%)
Abstain:	12,500 (0.03%)
To Chairman:	232,708 (0.53%)

## Item 3: Re-election of Anna Burke AO as Director

That Anna Elizabeth Burke AO, being an Independent Non-Executive Director, who retires by rotation in accordance with the Company's Constitution and ASX Listing Rule 14.5, and being eligible offers herself for re-election as a Director of the Company, effective immediately.

### Proxy votes received (% of total)

For:	82,168,690 (97.38%)
Against:	1,957,698 (2.32%)
Abstain:	23,600 (0.03%)
To Chairman:	232,708 (0.27%)

# CRONOS

A U S T R A L I A

Management Presentation

Tuesday, 27 October 2020



# Disclaimers

The following disclaimer applies to this presentation (**Presentation**) and you are therefore advised to read this disclaimer carefully before reading or making any other use of this Presentation or any information contained in this Presentation. This Presentation has been prepared by Cronos Australia Limited (**Cronos Australia or Company**).

## **Not investment advice**

The information contained in this Presentation is not investment or financial product advice or any recommendation to acquire shares. This Presentation does not and will not form any part of any contract for the acquisition of shares. Each recipient of this Presentation should make its own enquiries and investigations regarding all information in this Presentation.

## **Future performance**

This Presentation contains forward looking statements and comments about future events, including Cronos Australia's expectations about the performance of its business. Forward looking statements can generally be identified by the use of forward looking words such as, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target" and other similar expressions.

You are cautioned not to place undue reliance on any forward looking statement. While due care and attention has been used in the preparation of forward looking statements, forward looking statements, opinions and estimates provided in this Presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends which are based on interpretations of current market conditions. Forward looking statements should not be relied upon as an indication or guarantee of future performance and may involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Cronos Australia. A number of important factors could cause the actual conduct, results, performance or achievement of Cronos Australia to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward looking statements. Actual results, performance or achievements may vary materially from any forward looking statements and the assumptions on which statements are based. Cronos Australia disclaims any intent or obligation to update publicly any forward looking statements, whether as a result of new information, future events or results or otherwise.

The forward looking statements are based on information available to Cronos Australia as at the date of this Presentation. Except as required by law or regulation, Cronos Australia undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

## **Summary information**

This Presentation contains summary information about Cronos Australia and its activities which is current only as at the date of this Presentation. The information in this Presentation is of a general nature and does not purport to be complete.

Certain market and industry data used in connection with this Presentation may have been obtained from research, surveys or studies conducted by third parties, including industry or general publications. Neither Cronos Australia nor its representatives have independently verified any such market or industry data provided by third parties or industry or general publications and no representation or warranty, express or implied, is made as to its fairness, accuracy, correctness, completeness or adequacy.

## **No Inducement**

Nothing contained in this Presentation should be construed as inducement by Cronos Australia Limited and its affiliates to use its, or any other, Medicinal Cannabis products, or to seek medical treatment that includes medicinal cannabis therapy. Medicinal Cannabis products are unregistered drugs in Australia. Medicinal Cannabis products are not effective for everyone. If you believe that Medicinal Cannabis products may be an appropriate treatment option for you, please discuss this with a suitably qualified medical adviser. How a Medicinal Cannabis product affects a person and is metabolised is contingent on many things including: physical condition, size, weight, age and health, dosage, other medications being taken, as well as tolerance. Medicinal Cannabis as a medical therapy in Australia is regulated by the Therapeutic Goods Administration and further details about Medicinal Cannabis can be found on its website.

# Executive Summary

Following a successful IPO, Cronos Australia is well capitalised to meet its strategic objectives of being a profitable, innovative, asset light player

- Cronos Australia has pursued a differentiated approach in the Australian market as a downstream, asset light player, focussing on;
  - Development of brands
  - Formulation of products
  - Investment in
    - Sales
    - Marketing
    - Distribution
- Strategic relationship with Cronos Group Inc.
  - 31.05% shareholder
  - Two common Directors
  - One of the world's largest cannabinoid companies, with an extensive portfolio of brands and products



# Company Snapshot

Cronos Australia is well funded with growing sales across multiple businesses

<b>ASX code</b>	CAU
<b>Listing date</b>	7 November 2019
<b>Total shares on issue</b>	128,750,000
<b>Free float</b>	48,625,000 (37.7% of total shares in issue)
<b>Top 20 shareholders as a % (including escrowed shares)</b>	~79% held by top 20 shareholders Noting 62.2% of total shares held by Founders (all escrowed until 07 November 2021)
<b>Cash as at 30 September 2020</b>	~AUD\$13.3m
<b>Cash runway</b>	>2.3 years
<b>Market capitalisation</b>	~AUD\$11m at \$0.085 share price

# Significant progress during FY2020

Significant progress has been made in pursuit of Cronos Australia's strategic objectives

- Execution of a distribution agreement with Sigma Healthcare (ASX:SIG) for distribution of Cronos Australia's medicinal cannabis products nationwide
- Formation of a joint venture with the founders of Sukin Natural Skincare for the development of premium CBD products for Australian and target export markets
- Importation and first sales of PEACE NATURALS™ medicinal cannabis oil, the flagship brand of Cronos Australia's largest shareholder Cronos Group Inc.
  - PEACE NATURALS™ is also sold in Canada, Germany and Israel
- Development and launch of proprietary Cronos Australia medicinal cannabis brand, Adaya
  - Five medicinal cannabis oil SKUs in the range that cover the majority of Australian patients' needs – now being sold nationwide
- Solid progress made towards the launch of consumer brands in lucrative Asian markets, with first brand intended to be launched pre-Christmas 2020



# Cronos Australia Growth Strategy

Cronos Australia is organised into four key businesses for growth and creation of shareholder value

## CRONOS AUSTRALIA

### Australia Business

Market leading pricing  
and premium quality  
GMP medicinal  
cannabis products under  
the Adaya and PEACE  
NATURALS™ brands

# Adaya



PEACENATURALS  
MEDICINAL CANNABIS

### Medical Business

Cannadoc Health  
Australia-wide medicinal  
cannabis clinic services,  
via face-to-face in  
Melbourne, expanding  
into Sydney and New  
Zealand, and  
nationwide telehealth  
consults



cannadoc

### Asia Business

Initial three ranges of  
branded consumer  
cannabinoid personal  
care products for the  
lucrative north Asian  
markets and beyond



### CBD JV Business

Innovative JV with the  
Sukin Founders for the  
development of CBD  
topical and oil products  
for Australian and export  
markets





# Australia Business

Market leading pricing and GMP quality Medicinal Cannabis products for the domestic and target export markets

## Adaya



  
**PEACENATURALS**  
MEDICINAL CANNABIS



PEACE NATURALS™ is a Cronos Group Inc. owned brand. Cronos Australia is the sole distributor in Australia, New Zealand and select Asian markets

Competitively priced, GMP quality product for the Australian market, with national distribution

- Sigma Healthcare (ASX : SIG) distribution
- State based local distribution partners

Key sales channels

- Full time East and West coast sales teams
- Adaya Authorised Prescribers
- Cannabis Clinics
- General practitioners and specialists via SAS-B

Expansion potential

- Discussions underway for potential export of Adaya products

# Medical Business

On 1 January 2020, Cronos Australia acquired a 51% economic interest in Cannadoc Health

## Clinic operating with both telehealth and face-to-face consults

- Four doctors currently on staff, with another about to join
- Current run rate of patient consults increasing steadily
  - Solid doctor referral base
  - Patients self referring to their GP for referral
- Physical clinic located adjacent to Melbourne CBD in the St Kilda Road commercial precinct, with another location secured in Sydney
- Search underway for sites Brisbane and New Zealand
- Telehealth to continue nationwide, beyond relaxation of COVID-19 measures
- Ongoing healthcare professional education and engagement campaign through webinar and face-to-face events
- [www.cannadoc.com.au](http://www.cannadoc.com.au)



**Dr David Feng**



**Dr Tashi Dorjee**



**Dr Shu Ng**



**Dr Matthew Dobson**





# Asia Business

Significant opportunity exists in Asian markets, and Cronos Australia has built the right team to underpin a successful go-to-market brand and product strategy

Under the leadership of Nick Mulcahy (former Aesop APAC General Manager, Hong Kong based) the Asia team has been established in Hong Kong, Tokyo and Singapore

- The Asia team is comprised of personal care / cosmetic / skin care professionals who have deep experience, connections and proven success in Asia
- Hong Kong and Tokyo offices established
- Strategy and creative concept work complete for all three brands with product formulations underway
- Initial target markets include Japan, South Korea, Hong Kong, China, Taiwan via DTC and distributors
- Three brands intended to be launched in the current Financial Year
- The first brand intended to be launched by Christmas 2020





# CBD Joint Venture Business

The CBD JV is focussed on over-the-counter CBD for Australia and premium CBD export products



*A&S Branding – Brother and sister team, Simon O'Connor and Alison Goodger – founders of Sukin Natural Skincare*

Joint venture with two of the leading minds in personal care in Australia with significant domestic and export success

- Developed and sold Sukin Natural Skincare to BWX (ASX:BWV)
- In early 2020 launched Alkira Skincare (separate to CBD JV)

Clear focus on CBD skincare topicals and oils over-the-counter and premium export products

- Product formulation and branding currently underway
- Export product, subject to Federal Government approval, is intended to be ready for market by end of FY2021
- Federal Government Schedule 3 over-the-counter product laws and regulations expected to be changed by June 2021, product to be submitted for approval following this change

Export potential

- Potential for export of products to target export markets

# CRONOS

## A U S T R A L I A

[www.cronosaustralia.com](http://www.cronosaustralia.com)