

Form 603
Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme Cronos Australia Limited

ACN/ARSN 629 071 594

1. Details of substantial holder (1)

Name Cronos Australia Limited

ACN/ARSN (if applicable) 629 071 594

The holder became a substantial holder on 16 / 12 / 2021

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Fully paid ordinary shares	407,052,727	407,052,727	74.20%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Cronos Australia Limited ACN 629 071 594 ("CAU")	<p>Restrictions on the disposal of shares under voluntary escrow arrangements in the form of Annexure A entered into with each of the holders set out in paragraph 4 below would, if not for the relief granted by ASIC in the form of ASIC Instrument 21-0913, give CAU a deemed relevant interest in its own shares pursuant to section 608(1)(c) of the <i>Corporations Act 2001</i> (Cth).</p> <p>See ASIC Instrument 21-0913 dated 4 November 2021. A requirement of this Instrument is that CAU issued this notice in respect of the shares subject to the voluntary escrow arrangements substantially in the form of Annexure A.</p> <p>CAU has no right to acquire the shares or to exercise, or control or influence the exercise of, a right to vote attached to these shares.</p>	407,052,727 fully paid ordinary shares

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
CAU	Cronos Global Holdings Inc	Cronos Global Holdings Inc	55,176,065 fully paid ordinary shares
	NewSouthern Investment Holdings 1 Pty Ltd	NewSouthern Investment Holdings 1 Pty Ltd	20,000,000 fully paid ordinary shares

	NewSouthern Investment Holdings A Pty Ltd	NewSouthern Investment Holdings A Pty Ltd	20,000,000 fully paid ordinary shares
	Elizabeth Sarah Jansen as trustee for the Stanford Investment Trust	Elizabeth Sarah Jansen atf the Stanford Investment Trust	129,890,570 fully paid ordinary shares
	Guy Rothwell Headley	Guy Rothwell Headley	126,798,772 fully paid ordinary shares
	Matua Hasyo Charlie Jansen in his own capacity and as trustee for the Whanau Family Trust	Matua Hasyo Charlie Jansen in his own capacity and as trustee for the Whanau Family Trust	55,187,320 fully paid ordinary shares

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
CAU	16/12/2021	N/A	Partial consideration for acquisition of shares in CDA Health Pty Ltd ACN 632 054 230	407,052,727 fully paid ordinary shares

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
N/A	N/A

7. Addresses

The addresses of persons named in this form are as follows:

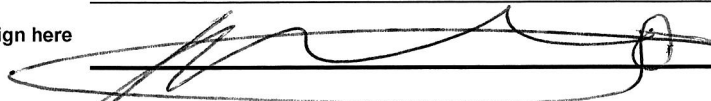
Name	Address
CAU	PO Box 6168, South Yarra VIC 3141
Cronos Global Holdings Inc	111 Peter Street, Suite 300, Toronto, Ontario M5V 2H1, Canada
NewSouthern Investment Holdings 1 Pty Ltd	Level 20, 181 William Street, Melbourne VIC 3000
NewSouthern Investment Holdings A Pty Ltd	Level 10, 30 Collins Street, Melbourne VIC 3000
Elizabeth Sarah Jansen as trustee for the Stanford Investment Trust	'Emerald Lakes Town Centre' Level 4 3027 The Boulevard CARRARA QLD 4211
Guy Rothwell Headley	MS Chartered Accountants (Guy Headley) Suite 1401 Level 14 203 Robina Town Centre Drive ROBINA QLD 4226 (ASIC Approval Number 3051)
Matua Hasyo Charlie Jansen in his own capacity and as trustee for the Whanau Family Trust	Walsh Accountants Pty Ltd (Matua Jansen) Unit 10 42-46 Bundall Road BUNDALL QLD 4217 (ASIC Approval Number 3461)

Signature

print name Rodney Damon Cocks

Capacity: Director

sign here



date 16/12/2021

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown."
- (9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

ANNEXURE A

FORM OF ESCROW DEED

This is Annexure A of 12 pages (including this page) referred to in Form 603.

Print Name:

Rodney Damon Cocks

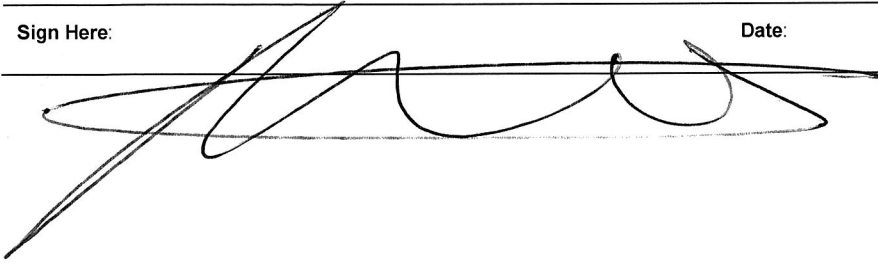
Capacity:

Director

Sign Here:

Date:

16/12/2021

A handwritten signature in black ink, appearing to read 'Rodney Damon Cocks', is written over a horizontal line. The signature is stylized with large loops and a long, sweeping underline.

Escrow Deed

between

##
(Shareholder)

and

Cronos Australia Limited
ACN 629 071 594
(Company)

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This deed is made on the ____ day of _____ 2021

between [##] of [##] (Shareholder)

and **Cronos Australia Limited** ACN 629 071 594 of Suite 8, Level 3, 299 Toorak Road, South Yarra, Victoria 3141 (**Company**)

Recitals

- A The Company is admitted to the official list of ASX and its Shares are quoted on ASX.
- B **[[FOR CDA SHAREHOLDERS: The Shareholder will be issued the Escrow Shares under the Merger Implementation Agreement.] OR**
- C **[FOR EXISTING CAU SHAREHOLDERS: The Shareholder agrees that the Escrow Shares will be subject to the voluntary escrow arrangements set out in this deed.]]**
- D In order to help promote a stable market for Shares on ASX, the Shareholder undertakes to the Company to be bound by the terms and conditions of this deed.

Now it is covenanted and agreed as follows:

1 Definitions and interpretation

1.1 Definitions

The following definitions apply unless the context requires otherwise.

ASX means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange, as appropriate.

Business Day means a day which is not a Saturday, Sunday or a public holiday in Melbourne, Victoria.

Completion means the completion of the sale and purchase of the shares in the Sale Company under the Share Purchase Deed.

Completion Date means the date on which Completion occurs.

Corporations Act means the *Corporations Act 2001* (Cth).

Dispose has the meaning given to 'dispose' in the Listing Rules.

Escrow Period means the period commencing on the Completion Date **[FOR EXISTING CAU SHAREHOLDERS: or 7 November 2021 (whichever is earlier)]** and ending on the Escrow Release Date.

Escrow Release Date means the first anniversary of the Completion Date **[FOR EXISTING CAU SHAREHOLDERS: provided that the Escrow Release Date will be 31 December 2021 if Completion does not occur by 31 December 2021].**

Escrow Shares means the Shares held by the Shareholder referred to in the schedule to this deed (as appropriately adjusted in accordance with the Listing Rules for any reorganisation of capital undertaken by the Company).

Holding Lock has the meaning given to 'holding lock' in the Listing Rules.

Issuer Sponsored Subregister has the meaning given to 'issuer sponsored subregister' in the Listing Rules.

Listing Rules means the Listing Rules of ASX (including the ASX Settlement Operating Rules).

Merger Implementation Agreement means the merger implementation agreement dated 14 September 2021 between the Company and the Sale Company.

Restricted Action has the meaning given to that term in clause 2.1.

Sale Company means CDA Health Pty Ltd ACN 632 054 230.

Shares means fully paid ordinary shares in the capital of the Company.

Share Purchase Deed means the share purchase deed to be entered into between the Sellers (as such term is defined therein) and the Company in relation to the sale and purchase of all of the shares in the Sale Company.

1.2 Interpretation

The following rules apply unless the context requires otherwise.

- (a) Headings are for convenience only and do not affect interpretation.
- (b) The singular includes the plural and conversely.
- (c) A gender includes all genders.
- (d) Where a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (e) A reference to a clause is a reference to a clause of this deed.
- (f) Words and expressions defined in the Listing Rules, and not in this deed, have the meanings given to them in the Listing Rules.
- (g) A reference to an agreement or document (including a reference to this deed) is to the agreement or document as amended, varied, supplemented, novated or replaced, except to the extent prohibited by this deed or that other agreement or document.
- (h) Specifying anything in this deed after the words 'including', 'includes' or 'for example' or similar expressions does not limit what else is included.
- (i) A reference to a party to this deed or another agreement or document includes the party's successors, permitted substitutes and permitted assigns (and, where applicable, the party's legal personal representatives).
- (j) A reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.

2 Escrow restrictions

2.1 Shareholder restrictions

During the Escrow Period, the Shareholder must not:

- (a) Dispose of, or agree or offer to Dispose of, any or all of the Escrow Shares;
- (b) create, or agree or offer to create, any security interest in any or all of the Escrow Shares; or
- (c) do or omit to do any act which may have the effect of transferring effective ownership or control of any or all of the Escrow Shares,

(each a **Restricted Action**), other than in accordance with clause 2.3.

2.2 CHESS or Issuer Sponsored Subregister

- (a) The Shareholder agrees that the Escrow Shares will be:
 - (i) kept on an electronic CHESS subregister; or
 - (ii) held on the Company's Issuer Sponsored Subregister (as that term is defined in the ASX Listing Rules),
 and agrees to the application of a Holding Lock to the Escrow Shares for the Escrow Period.
- (b) The Company agrees to do all things necessary to ensure that the Holding Lock is released:
 - (i) to the extent necessary to permit disposals of Escrow Shares permitted by this deed; and
 - (ii) to the extent applicable at the conclusion of the Escrow Period.

2.3 Permitted transfers

During the Escrow Period, the Shareholder may only undertake a Restricted Action if:

- (a) the Shareholder has obtained the prior written consent of the Company (which must not be unreasonably withheld or delayed) to transfer the Escrow Shares if:
 - (i) the transfer is to a person that is:
 - (A) a spouse or child of the Shareholder or child of the Shareholder's spouse (**Immediate Family Member**);
 - (B) a company wholly owned by the Shareholder, an Immediate Family Member or a person that controls the Shareholder;
 - (C) a trustee of a trust in relation to which the Shareholder or an Immediate Family Member is the beneficiary; or
 - (D) a trustee company either controlled by the Shareholder or an Immediate Family Member a person that controls the Shareholder of a trust in relation to which the Shareholder or an Immediate Family Member is the beneficiary (including, for the avoidance of doubt, the trustee of any self-managed superannuation fund controlled by the Shareholder or an Immediate Family Member);
 - (ii) the transferee executes a deed pursuant to which the transferee agrees to be bound by terms substantially similar to this deed (provided that the Company may not require any change to the Escrow Period or the Escrow Release Date or to the nature of the restrictions contemplated by this deed); and
 - (iii) the transfer does not result in a change to the beneficial ownership of the Escrow Shares;
- (b) the Restricted Action is required by law (including an order of a court of competent jurisdiction);
- (c) the Shareholder obtains the prior written consent of the Company (such consent not to be unreasonably withheld or delayed, following a representation to the board of the Company by the Shareholder which demonstrates to the board that the action is necessary to alleviate financial hardship);
- (d) the Restricted Action is the acceptance of:

- (i) a bona fide takeover bid under Chapter 6 of the Corporations Act for all of the Shares in the Company; or
- (ii) a proportional takeover bid under Chapter 6 of the Corporations Act,

provided that:

- (iii) such acceptance occurs following a public announcement by the Company that the board of directors of the Company recommends a takeover bid; or
- (iv) the holders of at least 50% of the bid class securities that are not subject to escrow, and to which the offers under the bid relate, have accepted and the Escrow Shares continue to be held on the terms of this deed if the relevant bid does not become unconditional or does not otherwise proceed;
- (e) the Restricted Action is the transfer or cancellation of the Shares as part of a scheme of arrangement under Part 5.1 of the Corporations Act, provided that scheme of arrangement takes effect; or
- (f) the Restricted Action is the transfer or cancellation of Shares in connection with a share buy back, capital return or capital reduction which has been made available to holders of Shares on a pro rata basis and in accordance with the Corporations Act.

2.4 Dividends and voting rights

The parties agree that the terms of this deed will have no effect on any rights of the Shareholder to receive dividends or other distributions attaching to the Escrow Shares or to exercise voting rights in respect of the Escrow Shares.

2.5 Shareholder to notify Company

If the Shareholder becomes aware:

- (a) that a dealing in any Escrow Shares has occurred, or is likely to occur, during the Escrow Period in breach of this deed; or
- (b) of any other matter which is likely to give rise to a dealing in any Escrow Shares during the Escrow Period in breach of this deed,

that Shareholder must notify the Company as soon as practicable after becoming aware of the dealing or those matters giving rise to the dealing, and provide full details.

2.6 Release

- (a) Notwithstanding clause 2.1, the Shareholder will be free to undertake the actions referred to in clause 2.3 in respect of the Escrow Shares on or after the expiry of the Escrow Period.
- (b) At the end of the Escrow Period, the Company must take such steps as are reasonable to facilitate the release from escrow referred to in this clause including facilitating the removal of any Holding Lock from any such Escrow Shares.

3 Breach

3.1 Prevention of anticipated breach

The parties acknowledge and agree that if it appears to the Company that the Shareholder may breach this deed, the Company:

- (a) may take the steps necessary to prevent the breach or to enforce this deed, as soon as the Company becomes aware of the potential breach; and

- (b) subject to the Listing Rules, may refuse to acknowledge, deal with, accept or register any sale, assignment, transfer or conversion of any of the Escrow Shares (in addition to the other rights and remedies of the Company).

3.2 Damages insufficient remedy

The parties agree that damages would be an insufficient remedy for breach of this deed and the Shareholder agrees that the Company is entitled to seek and obtain an injunction or specific performance as a remedy for any actual or threatened breach of this deed, in addition to any other remedies available to the Company at law or in equity under or independently of this deed.

4 Representations and warranties

4.1 Shareholder representations and warranties

The Shareholder represents and warrants that:

- (a) **(power)** it has power to enter into and comply with all of the terms and conditions of this deed applicable to it;
- (b) **(authority)** it has taken all necessary corporate actions and authorisations to permit it to enter into this deed and to observe all of its terms and no such corporate action or authorisation has since been rescinded or varied;
- (c) **(deed effective)** this deed constitutes a legal, valid and binding obligation on it and is enforceable against it in accordance with its terms;
- (d) **(Escrow Shares)** **[FOR CDA SHAREHOLDERS: upon the issue of the Escrow Shares and]** at all times during the Escrow Period, it will be the legal and beneficial holder of the Escrow Shares; and
- (e) **(no encumbrances)** **[FOR CDA SHAREHOLDERS: upon the issue of the Escrow Shares and]** at all times during the Escrow Period, the Escrow Shares are free from all encumbrances, security interests and other third party interests or rights.

4.2 Reliance on representations and warranties

The Shareholder acknowledges that the Company has executed this deed in reliance on the representations and warranties that are made in this clause.

4.3 No representations by the Company

The Shareholder acknowledges that it has not relied and will not rely on any representation statement or promise made by or on behalf of the Company in deciding to enter into this deed.

5 Compliance with Listing Rules

For so long as the Company is listed on the official list of ASX:

- (a) notwithstanding anything contained in this deed, if the Listing Rules prohibit an act being done, that act must not be done;
- (b) nothing contained in this deed prevents an act being done that the Listing Rules require to be done;
- (c) if the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);
- (d) if the Listing Rules require this deed to contain a provision and it does not contain such a provision, this deed is deemed to contain that provision;

- (e) if the Listing Rules require this deed not to contain a provision and it contains such a provision, this deed is deemed not to contain that provision; and
- (f) if any provision of this deed is or becomes inconsistent with the Listing Rules, this deed is deemed not to contain that provision to the extent of the inconsistency.

6 Notices

Any notice, demand, consent or other communication (**Notice**) given or made under this deed:

- (a) must be in writing and signed by a person duly authorised by the sender;
- (b) must be delivered to the intended recipient by prepaid post (if posted to an address in another country, by registered airmail) or by hand or email to the address or email address below or the address or email address last notified by the intended recipient to the sender:
 - (i) to the Company: Suite 8, Level 3
299 Toorak Road
South Yarra, Victoria 3141

Attention: Company Secretary

Email: companysecretary@cronosaustralia.com
 - to the Shareholder: [address]

Attention: [insert]

Email: [insert]
- (c) will be taken to be duly given or made:
 - (i) in the case of delivery in person, when delivered;
 - (ii) in the case of delivery by post, 2 Business Days after the date of posting (if posted to an address in the same country) or 7 Business Days after the date of posting (if posted to an address in another country); and
 - (iii) in the case of email, on the day of transmission, provided that the sender does not receive an automated notice generated by the sender's or the recipient's email server that the email was not delivered,

but if the result is that a Notice would be taken to be given or made on a day that is not a business day in the place to which the Notice is sent or is later than 4pm (local time) it will be taken to have been duly given or made at the commencement of business on the next business day in that place.

7 General

7.1 Governing law

This deed is governed by the laws of Victoria. Each party irrevocably accepts the non-exclusive jurisdiction of courts with jurisdiction there and waives any right to object to the venue on any ground.

7.2 Further assurances

Each party agrees to do all things and execute all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to the provisions of this deed and the transactions contemplated by it.

7.3 Waiver and exercise of rights

- (a) No failure to exercise nor any delay in exercising any right, power or remedy by a party operates as a waiver. A single or partial exercise of any right, power or remedy does not preclude any other or further exercise of that or any other right, power or remedy. A waiver is not valid or binding on the party granting that waiver unless made in writing.
- (b) A party may exercise a right or remedy or give or refuse its consent in any way it considers appropriate (including by imposing conditions), unless this deed expressly states otherwise.

7.4 Entire agreement

This deed contains the entire agreement of the parties with respect to its subject matter. It sets out the only conduct on relied on by the parties and supersedes all earlier conduct by the parties with respect to its subject matter.

7.5 Amendment

This deed may be amended only by another deed executed by all the parties and, where the ASX has required an escrow to be implemented, the approval of the ASX of the variation.

7.6 Severability

Any provision of this deed which is unenforceable or partly unenforceable is, where possible, to be severed to the extent necessary to make this deed enforceable, unless this would materially change the intended effect of this deed.

7.7 Counterparts

This deed may be executed in any number of counterparts. All counterparts together will be taken to constitute one instrument.

7.8 Costs

Each party must pay its own costs of negotiating, preparing and executing this deed.

Schedule

Shares held by the Shareholder: [##]

Executed as a deed

Shareholder

Signed, sealed and delivered by the said

[insert name]

in the presence of:

[insert name]

Witness signature

Name of witness
BLOCK LETTERS

[OR]

Executed as a deed by **[insert shareholder]** in
accordance with section 127(1) of the
Corporations Act 2001 (Cth):

Director

*Director/*Company Secretary

Name of Director
BLOCK LETTERS

Name of *Director/*Company Secretary
BLOCK LETTERS
*please strike out as appropriate

Company

Executed as a deed by **Cronos Australia
Limited** ACN 629 071 594 in accordance with
section 127(1) of the *Corporations Act 2001*
(Cth):

Director

*Director/*Company Secretary

Name of Director
BLOCK LETTERS

Name of *Director/*Company Secretary
BLOCK LETTERS
*please strike out as appropriate