



MATERIALS FOR 2022 ANNUAL GENERAL MEETING

Melbourne, Australia, 29 November 2022 – Cronos Australia Limited (ASX:CAU) (**Company**) is pleased to release the attached CEO's address that will be presented at the 2022 Annual General Meeting of the Company's shareholders to be held as a hybrid meeting at 10.00 am today (Melbourne time) at the offices of Thomson Geer in Melbourne and via Computershare's virtual meeting platform.

**** ENDS ****



CANVIEW

CDACLINICS

 **cannadoc**

About Cronos Australia Limited (ASX: CAU)

Cronos Australia Limited is listed on the ASX (ASX: CAU).

- Cronos Australia's wholly-owned subsidiary, CDA Health Pty Ltd, operates the following businesses:
 - CanView - the Group operates a successful pharmacy, doctor and patient online portal, CanView, which distributes over 160 different product SKUs within Australia from more than 25 of the most well-known international and domestic producers
 - CDA Clinics - the Group operates a successful network of clinics on the Gold Coast, Brisbane and Sunshine Coast, in addition to nationwide telehealth services
- Cronos Australia owns 75.5% of 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.
- See:
 - www.canview.com.au
 - www.cdaclinics.com.au
 - www.burleighheadscannabis.com
 - www.cannadoc.com.au

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.

Annual General Meeting Shareholder Update

29 November 2022

Cronos Australia's CanView platform facilitates medicinal cannabis prescription, sales, and distribution for doctors, pharmacies and patients throughout Australia

CRONOS
AUSTRALIA



Investment Highlights

Outstanding growth achieved in FY2022, extremely well positioned for FY2023

Market leading, profitable, and rapidly growing medicinal cannabis company with a deep moat around the CanView platform

Profitable and highly cash generative

- FY2022 Revenue \$67m (208% YoY growth)
- FY2022 EBITDA \$25.4m (282% YoY growth)
- FY2022 NPAT \$6.0m (324% YoY growth)
- FY2022 Net operating cashflows \$13.5m (1,164% YoY growth)
- 30 June 2022 Cash at bank \$16.1m (673% YoY growth)

Market leading medicinal cannabis platform

- CanView enables the regulatory compliant prescription, sale and distribution of medicinal cannabis products through its **automated, AI enabled and scalable technology platform**
- **Launched in 2020** the CanView platform is becoming the industry standard for doctors, patients, pharmacies and suppliers

Strong market growth continuing

- Active medicinal cannabis patients have grown from **near zero in 2018 to over 100,000 in 2022**¹
- Australian medicinal cannabis market forecast to exceed \$400m by end CY22 (up from \$230m in CY21)¹

Fully Franked Dividend Declared for FY22

- **The only ASX listed medicinal cannabis company** to declare a dividend to date
- **1.0c fully franked** dividend declared
- Shareholders invited to participate in a **DRP** at a 3% discount to 10-day VWAP
- **Payment date** 11 October 2022

Deep competitive advantages

- CanView's competitive advantage
 - **800 registered prescribers**
 - **7,000+ registered patients**
 - **3,000+ pharmacies (50%+ of all nationally)**
 - **190+ branded products from nearly 30 leading suppliers**

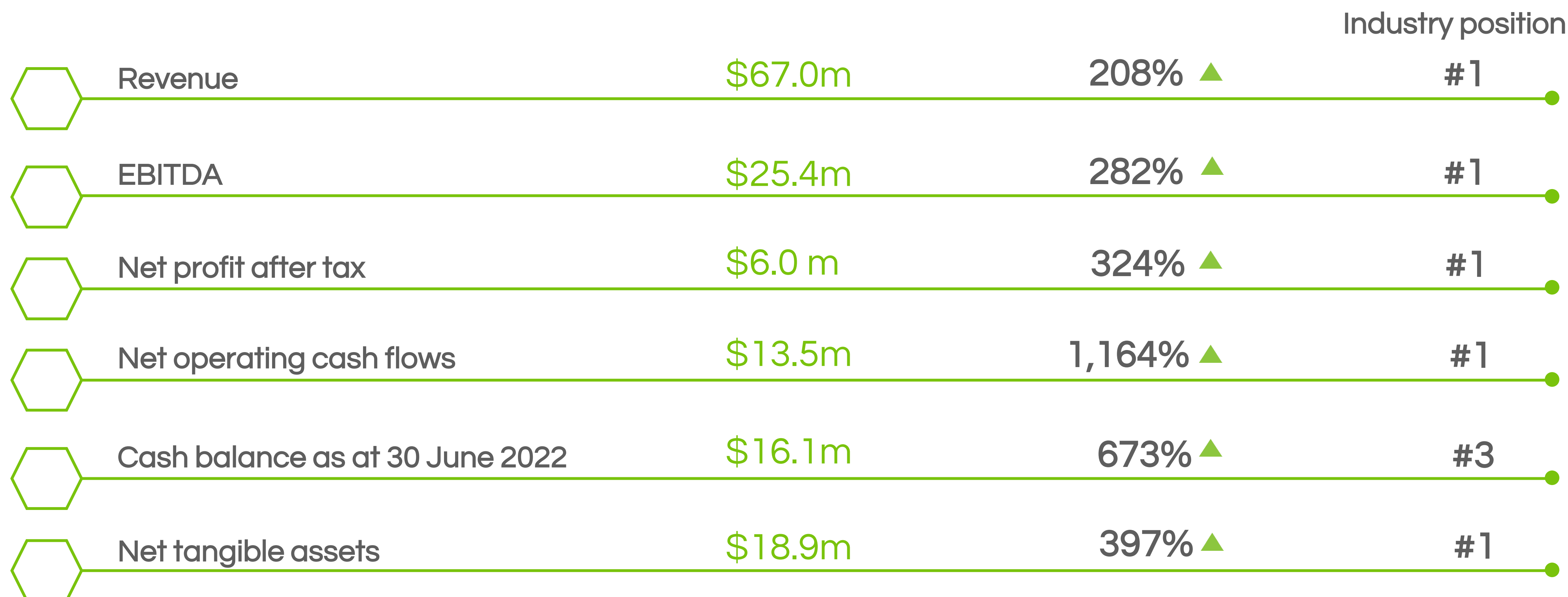
Substantial growth opportunity

- Growth Strategy:
 - **Phase 1 (Complete)** - National footprint of registered prescribers, pharmacies, patients established on CanView platform
 - **Phase 2 (FY23 & beyond)** - Cronos' expanding team of medical science liaisons to target low penetration regions across Australia

Based on current sales and growth, revenue for FY23 is likely to exceed \$100m

FY22 in review - Financial Metrics as at 30 June 2022

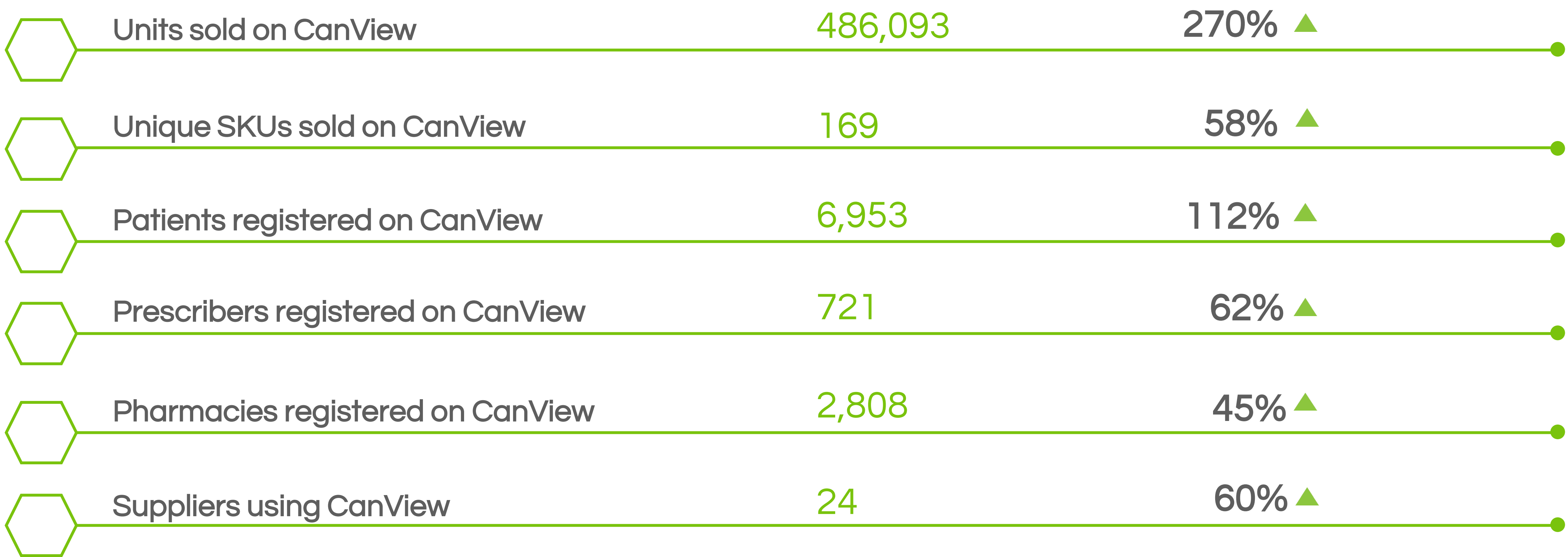
Industry leading, triple digit growth across all financial metrics



Metrics ranked as compared to the following 18 ASX-listed cannabis companies (described by ASX code), based on their published financial statements for the year ended 30 June 2022, or comparable date, where appropriate: IHL, CAN, EOF, BOT, LGP, EMD, CPH, MXC, ECS, AGH, MDC, AC8, ZLD, BOD, EPN, EXL, CGB, HHI

FY22 in review – Non-Financial Metrics as at 30 June 2022

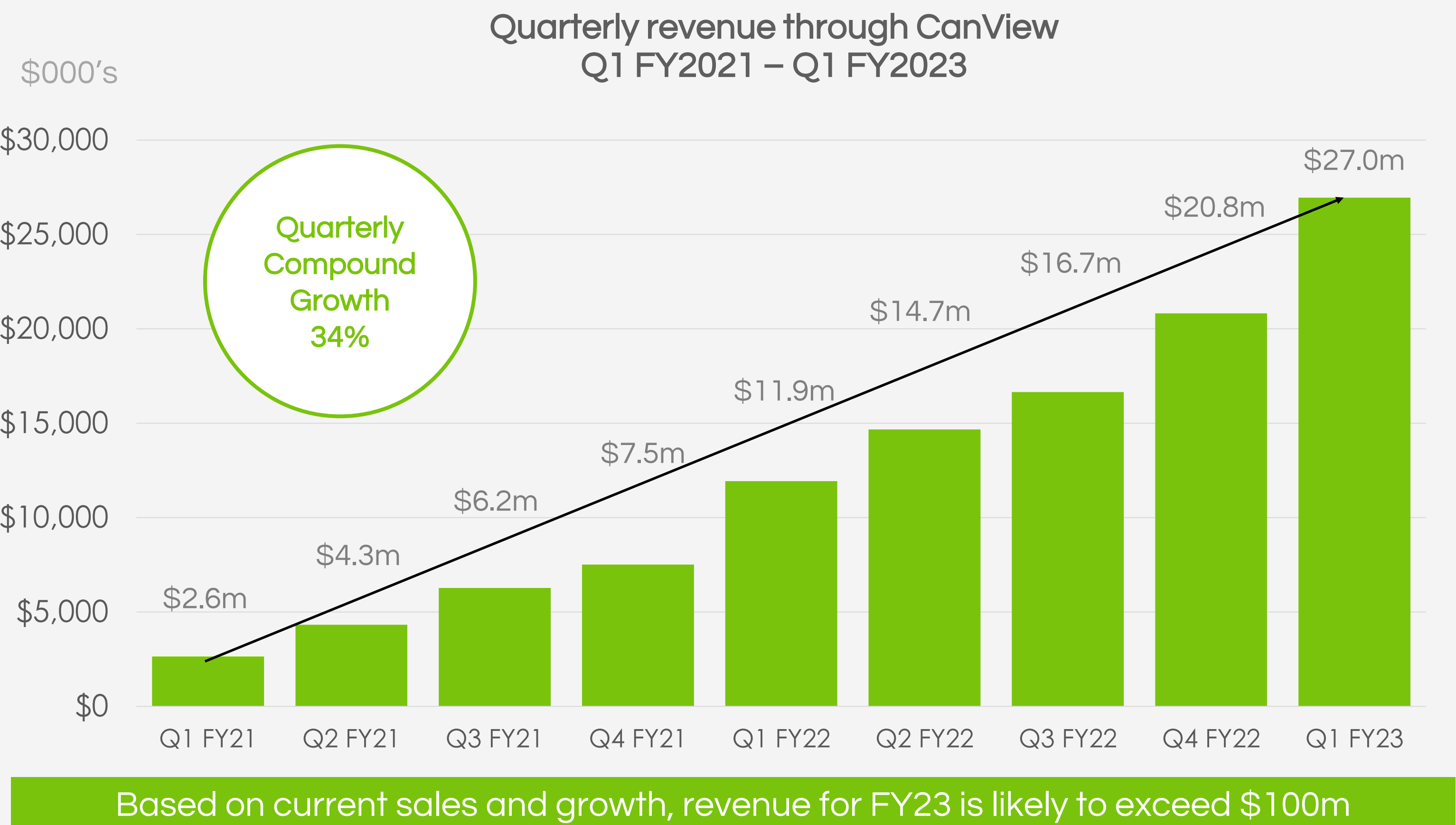
Growth in non-financial metrics drives our financial performance



All non-financial totals cover the year ended 30 June 2022, as compared to the year ended 30 June 2021. All non-financial balances are as at 30 June 2022, as compared to 30 June 2021. Numbers of employees cover both Cronos Australia and CDA Health as at 30 June 2022 and 30 June 2021. Numbers of Cronos Australia shareholders compare figures at 30 June 2021 with those at 30 September 2022.

Significant quarterly revenue growth has continued

Record Revenue for Q1 FY23 (unaudited) of \$27.0m for CanView, an uplift of 23% QoQ, which has resulted in a quarterly compound growth rate of 34% over the 9 quarters



- Sales continue to grow as **more prescribers and suppliers are onboarded** driving volumes through the CanView platform
- This growth is driven by both the increase in size of the medicinal cannabis market, but importantly more **volume of prescriptions** being directed through CanView by prescribers and pharmacies
- The network effect on the platform compounds as more users are onboarded, which we expect to accelerate with the full roll out of the **CanView 2.0 functionality**
- This revenue is being achieved with an estimated **2.6% of all Australian GPs** on the CanView platform

Q1 FY23 Financial Highlights

A record quarter, with revenue annualising at \$100m+

Q1 FY2023 was a strong start to FY2023, and sets Cronos Australia up for profitable growth in the remaining quarters with nearly \$26m in cash receipts from customers and a 30% increase in units sold

	Q1 FY2023	Movement	Q4 FY2022
Cash receipts from customers	\$25.95 million	13%	\$22.97 million
Net operating cash flow	\$3.86 million	46%	\$2.65 million
Cash at bank	\$19.49 million	21%	\$16.08 million
Units sold	214,241 units	30%	164,806 units

Record month - September 2022

A record month in September 2022, with revenue (unaudited) of nearly \$10m

Growth continued within the quarter with nearly \$10m of revenue (unaudited) being achieved and a record number of units being sold during the month of September 2022



\$9.9m

Record Revenue
(Unaudited)

Annualised Run Rate:
\$118.8m

\$9.5m

Record Cash Receipts
from Customers

79,174
units

Record Units Sold
Annualised Run Rate:
950,088 units

Key operational milestones achieved since end of FY22

CanView 2.0 and Melbourne Distribution Centre

Significant progress being made operationally to continue to scale the business profitably and sustainably

CanView 2.0 Progress

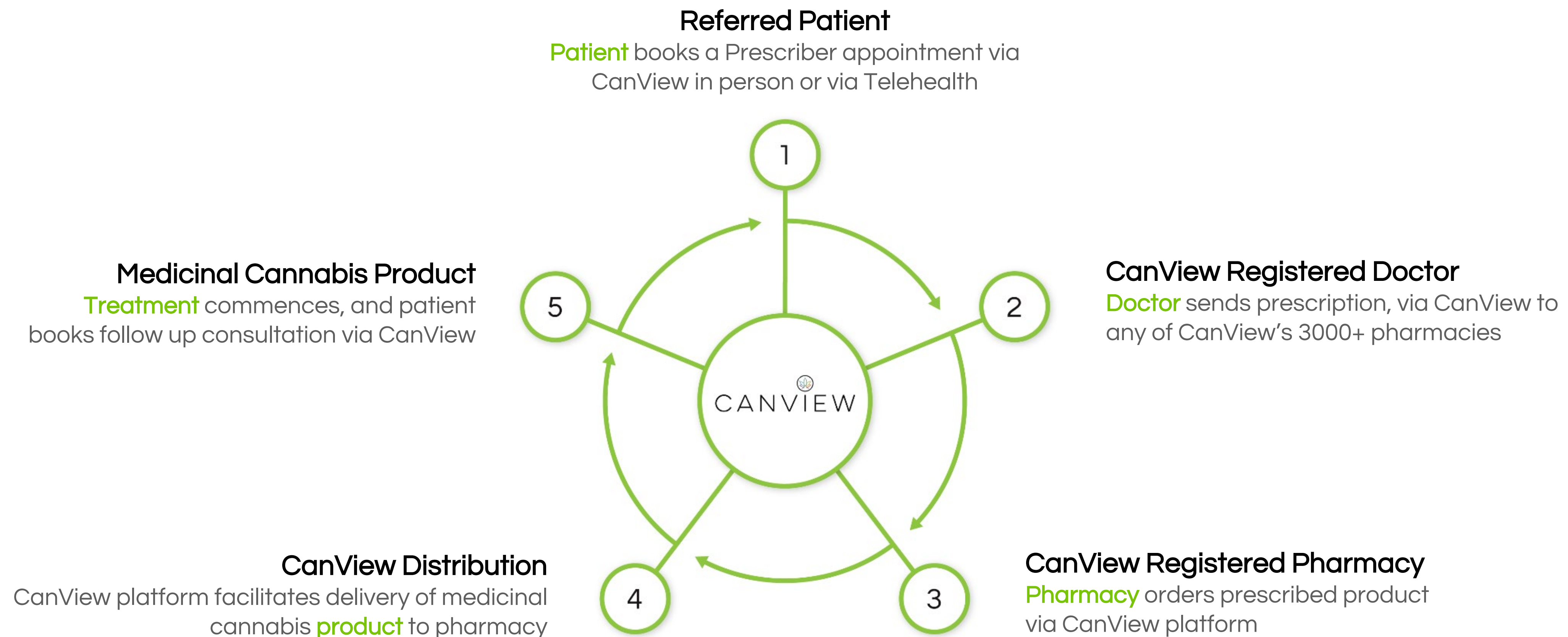
- **Stage One:** Distribution (DELIVERED)
- **Stage Two:** Pharmacy (DELIVERED)
- **Stage Three:** Prescriber and patient mobile app (PILOT PROGRAM)
- **Stage Four:** Supplier (IN PROGRESS)
- **Stage Five:** Prescriber marketplace and patient onboarding
- **Stage Six:** Patient treatment tracker
- It is anticipated that Stage Five (prescriber marketplace and patient onboarding) and Stage Six (patient treatment tracker) will be completed and rolled out later in FY2023

Melbourne Distribution Centre Commissioned

- Secured Victorian Government licences to enable the operation of newly-commissioned Melbourne Distribution Centre ("MDC")
- The two licences permit the supply of S2 (all products), S3 (all products), S4 (all products) and S8 (cannabis, THC products) products to pharmacies from the MDC
- The MDC facility supports the CanView platform and can facilitate a significant uplift of the Company's medicinal cannabis sales volume
- The MDC puts products closer to pharmacies and patients and will cover distribution in VIC, parts of NSW, SA, WA, TAS. The existing Gold Coast facility will cover the remainder of NSW, QLD, NT, ACT
- This will result in quicker delivery times to patients, with some pharmacies in Melbourne receiving orders on the same day
- MDC operation underpins business continuity contingency planning

The CanView Platform – an engine of growth

The CanView platform facilitates all aspects of the medicinal cannabis ecosystem for patients, prescribers, pharmacists and suppliers.



Australia’s leading suppliers have partnered with CanView

CanView is trusted by Australia’s leading suppliers to sell and distribute the widest range of medicinal cannabis products available.



- | | | | | |
|---|--|---|----------------------------------|---|
| Highly rigorous process to select and onboard suppliers onto the platform, the criteria assessed includes - | Consistency and continuity of product supply | Investment in medical science liaison teams | Strict product quality standards | Dedicated help desk in supplier company |
|---|--|---|----------------------------------|---|

Strategic Priorities in FY2023 to Deliver Growth

Building on a successful FY22, the team has clear strategic priorities for execution to deliver growth in the scope and scale of the company and drive financial results.

Growth Strategy Phase 1 – FY2022

- **ACHIEVED** 3,000+ pharmacies (50%+ of all pharmacies) in Australia are registered on CanView
- **ACHIEVED** Based on current sales and growth, revenue for FY23 is likely to exceed \$100m
- **ACHIEVED** 800+ prescribers or 2.6%¹ of all GPs in Australia are registered on CanView
- **ACHIEVED** 7,000+ patients are registered on CanView
- **ACHIEVED** FY22 \$67.0m revenue
 - FY22 \$10.5m EBITDA and FY22 \$6.0m NPAT
- **ACHIEVED** Proven team of 9 MSLs to deliver growth
- **ACHIEVED** Strong balance sheet as at 30 June 2022

Growth Strategy Phase 2 – FY2023

Primary targets for FY23

- Onboarding prescribers against ambitious targets – still 97.4% of GPs still to be potentially onboarded and a significant number of specialists¹
- Cronos' 9 MSLs located across the country will target individual GPs and clinic group to drive prescriber numbers
- Plans to increase team by up to 50% to drive growth

Data driven sales and engagement strategy

- Developed for FY23 which targets areas of opportunity to onboard prescribers
 - Underserved areas identified in capitals and regions
 - Engagement will also include online and face to face education events
- Onboarding of prescribers will drive patient and product sales growth

We are an Australian market leader

Backed by a market leading business model, financial strength and a large addressable market, Cronos Australia is well positioned for further growth in FY2023

- Cronos Australia has delivered outstanding, profitable growth in FY22 with \$67m of revenue that generated \$10.5m in EBITDA
- Growth continues during Q1FY23 with nearly \$26m of cash receipts and a record month revenue (unaudited) month in September 2022 of \$9.9m
- We operate in a large and rapidly growing Australian medicinal cannabis market, with sales of medicinal cannabis products market forecast to approach \$500m by end CY22¹
- We operate a market leading tech platform, CanView, with an **ambitious FY23 growth strategy** to onboard more prescribers from a relatively untouched market to drive further growth
- Our **nationwide clinic businesses** integrate with, and support, CanView to onboard additional patients to the platform
- There is a deep competitive moat around our business model, with a dominant market position, **800 prescribers, 3,000+ pharmacies and 7,000+ patients onboarded to CanView**
- We have an aligned board and management, with **proven execution capability** to delivery on the strategy





Thank you

To the amazing Cronos Australia team who serve our patients, prescribers, pharmacies and suppliers every day





Questions

From shareholders

A full-page background image of a male doctor with dark hair and glasses, wearing a brown blazer over a light blue shirt. A blue stethoscope is around his neck. He is smiling and looking towards the camera. His arms are crossed in front of him. In the bottom left corner, the back of a silver laptop is visible. The background is a bright, out-of-focus office or clinic setting with large windows.

Appendices – Company Overview

What we do

Laser focussed on the platform, products and clinics

Cronos Australia delivers medicinal cannabis prescription, sales and distribution services for doctors, pharmacies and patients throughout Australia.



Platform and Products – CanView

- We operate Australia's largest medicinal cannabis marketplace, CanView, that is an online ecosystem for prescribing, ordering, dispensing and education
- Nealy 3,000 suppliers and brands trust CanView for the prescription, sale and distribution of their products, with over 900k units being sold through CanView to date
- We sell more than 190 SKUs, including medicinal cannabis oil and whole flower products

CDA CLINICS



Clinics – CDA Clinics and Cannadoc

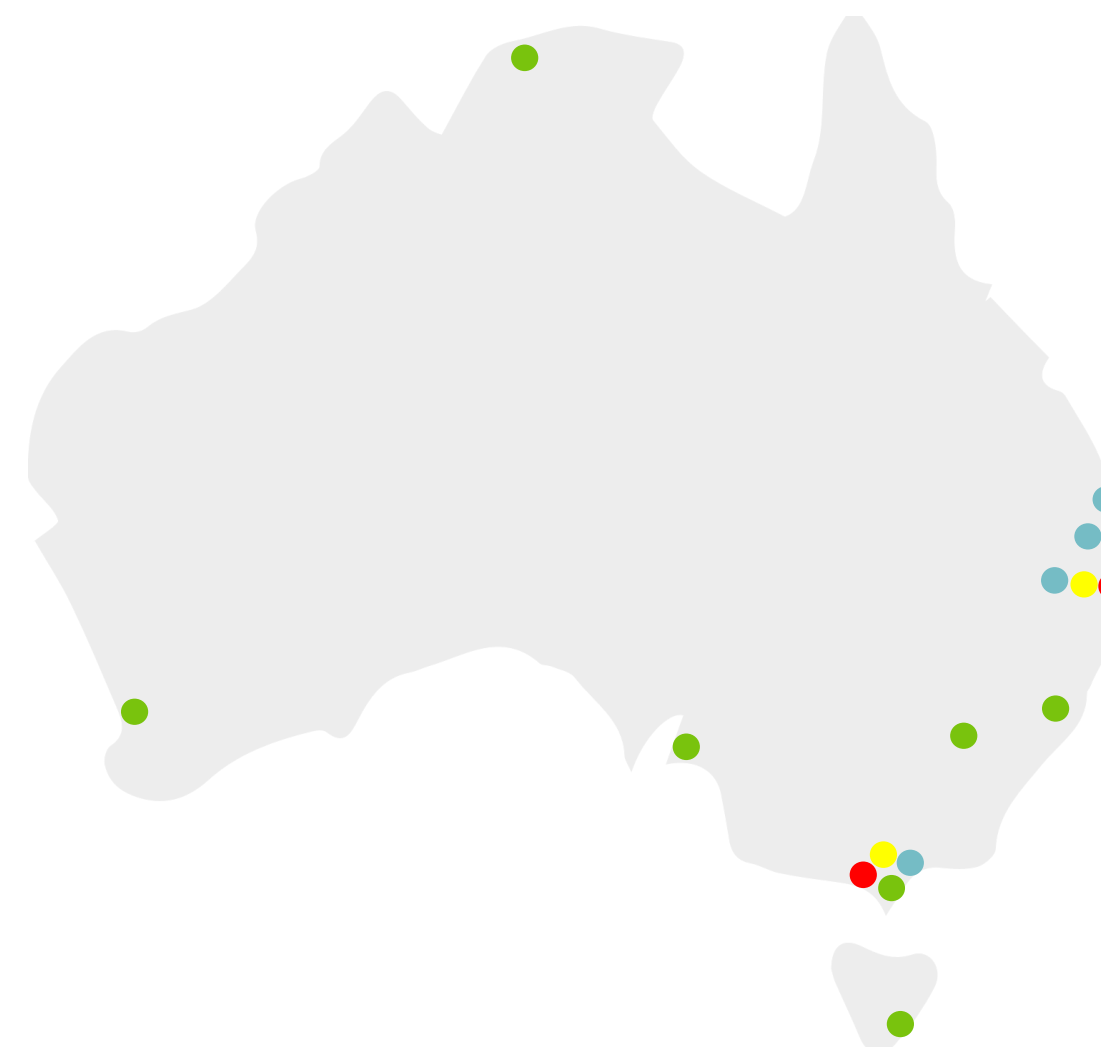
- We operate CDA Clinics that offers nationwide telehealth services and, face to face consults on the Gold Coast, Brisbane and the Sunshine Coast
- We operate Cannadoc that offers nationwide telehealth services



● Business Support Office

● CanView Distribution Centre

● Medical Science Liaison coverage

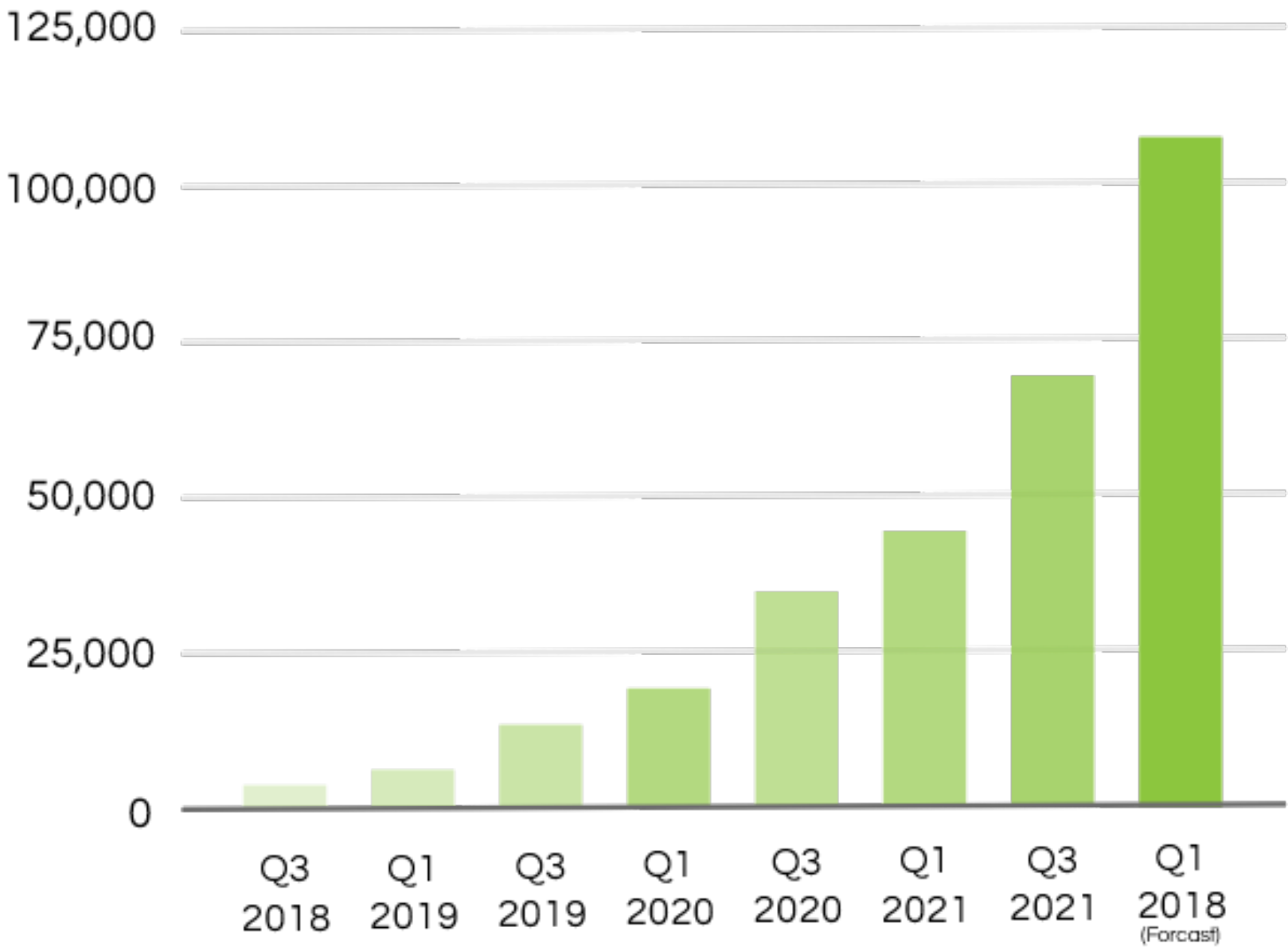


- ✓ 800 Prescribers Nationwide in all states and territories
- ✓ 3,000+ Pharmacies Nationwide in all states and territories
- ✓ Medical Science Liaison Coverage Nationwide in all states and territories
- ✓ 100+ team members, right sized to enable growth

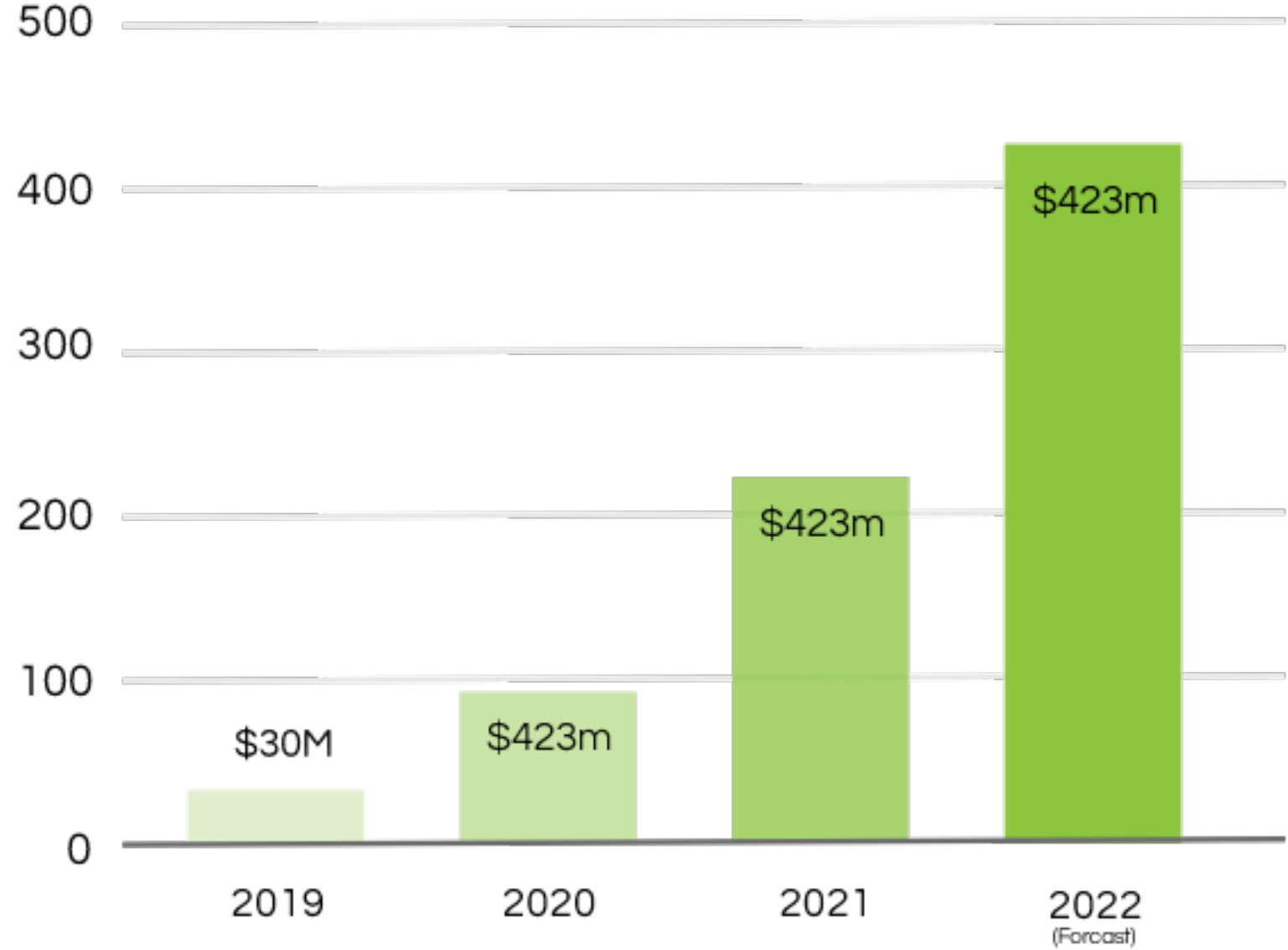
The market we operate in is large and growing rapidly

The medicinal cannabis market continues to grow rapidly in Australia, as cannabinoid therapies become mainstream for patients, doctors and pharmacists.

NUMBER OF ACTIVE MEDICINAL CANNABIS PATIENTS
Q1 2018 - Q1 2022



AUSTRALIAN MEDICINAL CANNABIS REVENUE
2019 - 2022



- 1. FreshLeaf Analytics Australian Industry Model
- 2. FreshLeaf Analytics Pricing & Patient Model
- 3. www.tga.gov.au/medicinal-cannabis-role-tga

We operate at the downstream end of the value chain

Cronos Australia is focused on the high value, downstream end of the value chain for sustainable long-term growth and profitability



Challenges of being upstream in the value chain

- Many participants in a crowded market
- Large CAPEX and OPEX spends required to operate and scale upstream business models
- Significant execution risk
- Pricing pressure from low cost jurisdictions globally
- Aggressive competition putting pressure on margins

Benefit of being downstream in the value chain

- Asset light business model
- Proprietary tech that can be scaled significantly
- Relatively low CAPEX and OPEX cost to scale
- Model can be exported and used for other products
- Highly cash generative business

CanView for Patients



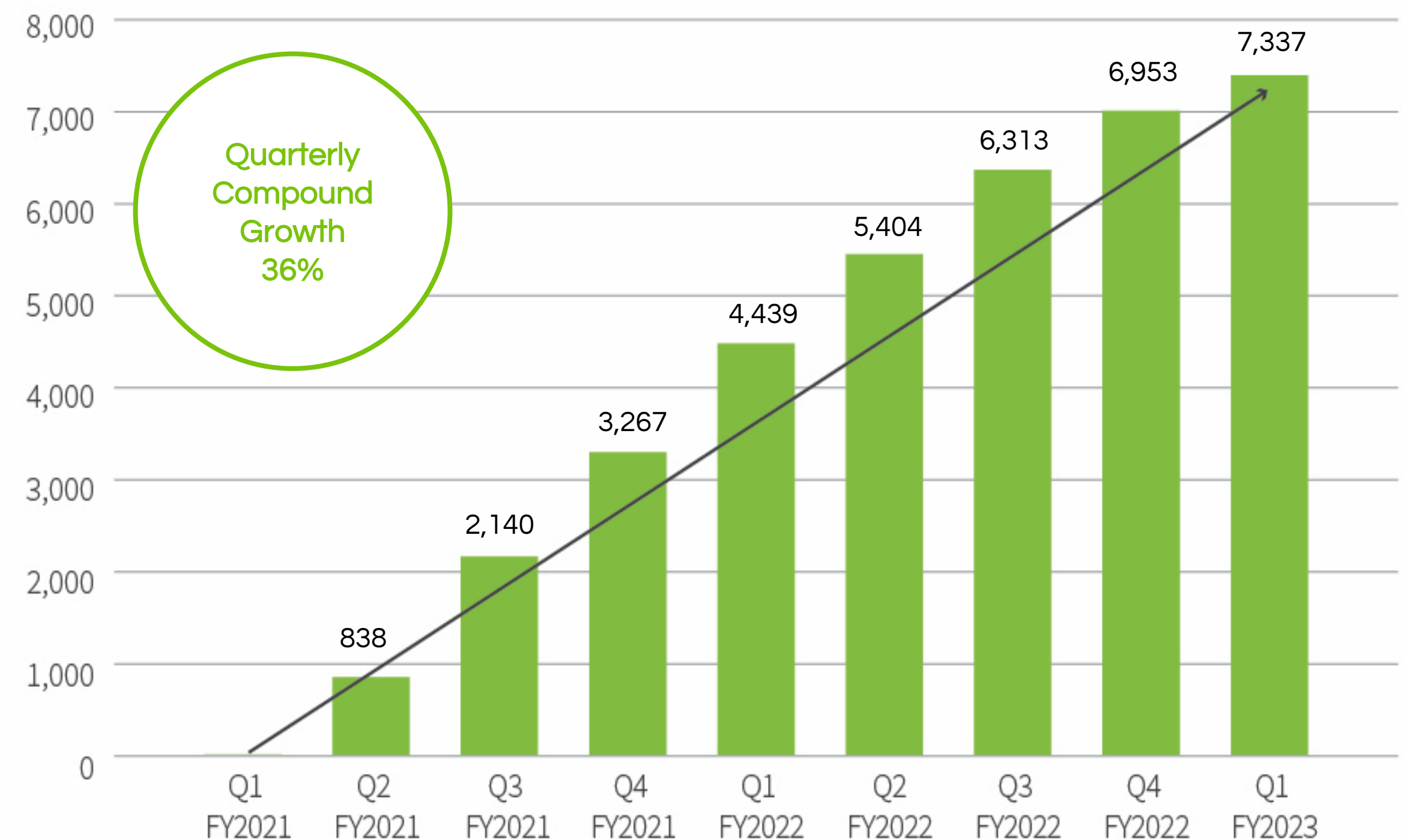
CanView solves multiple problems for patients that were previously impossible, or very difficult to achieve, without the platform

The number of Patients on CanView has grown significantly with 36% quarterly compound growth

CanView provides patients with solutions

- Feedback from Patients has focussed on the disjointed, slow nature of obtaining medicinal cannabis
- Lack of transparency and information has hampered patients in their journey to obtain products
- Patients can use the portal or app to order repeats, track product deliveries and provide clinical feedback

Cumulative patients registered on CanView
Q1 FY2021 – Q1 FY2023



CanView for Prescribers



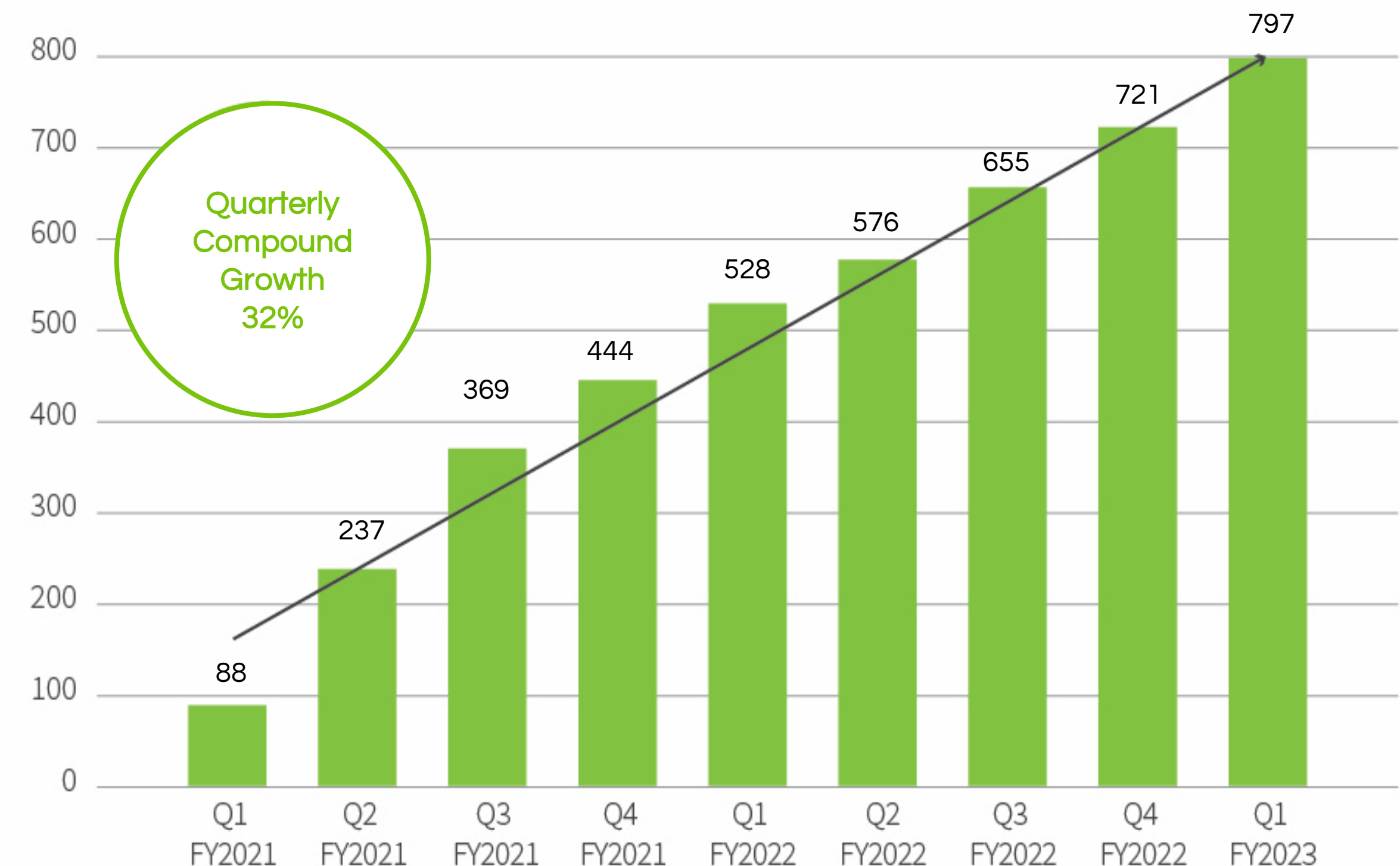
Based on feedback, CanView makes prescribing for medical practitioners streamlined and underpins their compliance obligations for regulators, including AHPRA and the TGA

Quarter on quarter the number of Prescribers grew at a compound rate of 32% to 800 (only 2.6% of GPs)

CanView provides Prescribers with solutions

- Compliance is a key issue for prescribers they are regulated by AHPRA and the TGA
- CanView underpins efficiency of the prescribing process to deliver optimal patient outcomes
- CanView retains the prescribing documents for compliance purposes while integrating to all major practice management software systems
- Prescribers can generate scripts/escripts within CanView

Cumulative prescriber accounts on CanView
Q1 FY2021 – Q1 FY2023



CanView for Pharmacies



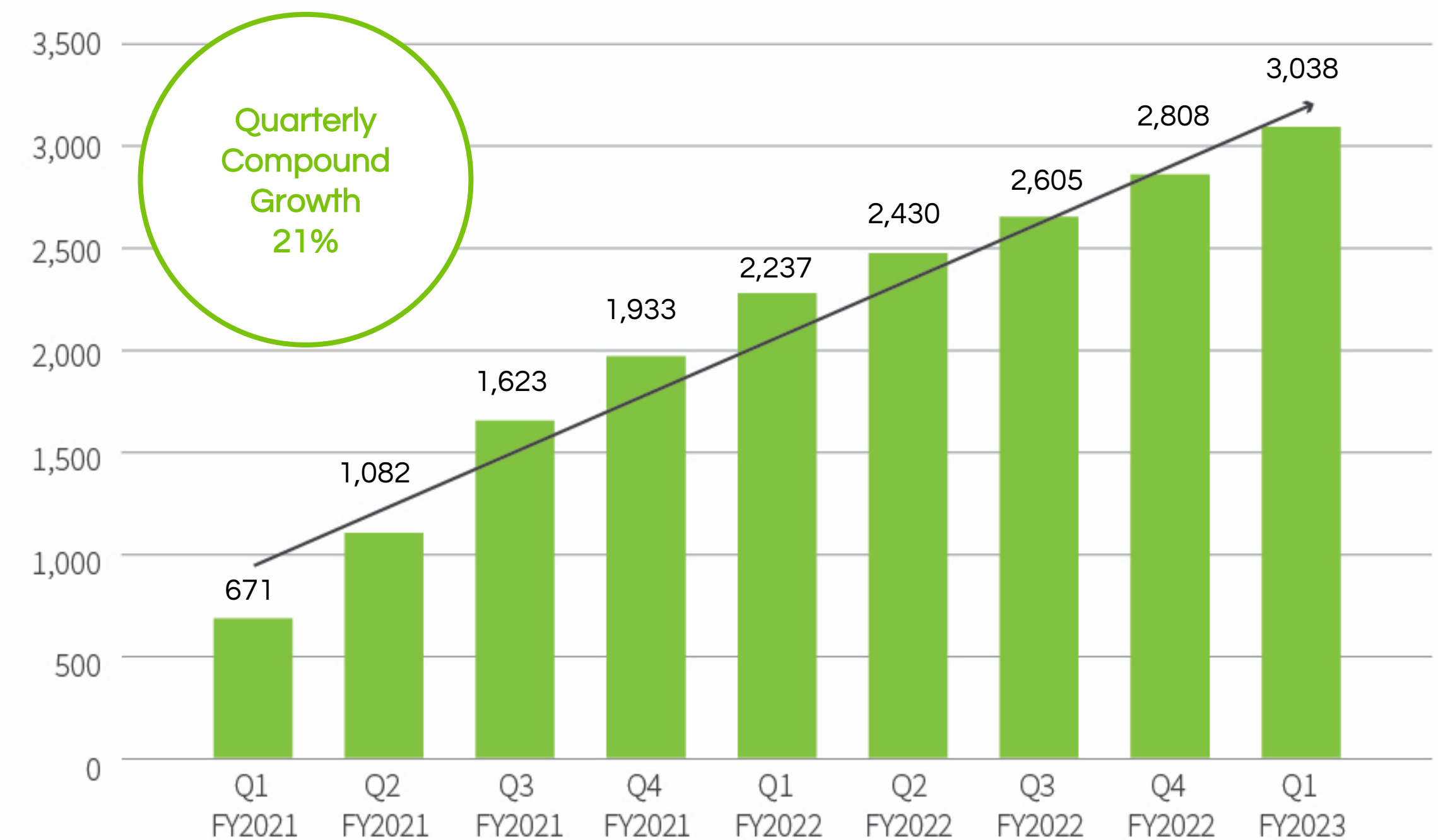
CanView has integrated significant feedback from pharmacies, which saves them time, delivers on compliance and makes dispensing extremely efficient

CanView has onboarded more than 3,000 Pharmacies in Australia or 50%+ of the market

CanView provides pharmacies with solutions

- Compliance is a key issue for pharmacies as dispensing is completed on approval paperwork that can be retained in the platform dispensing and repeats
- CanView integrates with major dispensing software systems for efficient operation within busy pharmacies
- Real time inventory insight is available for pharmacies
- Using CanView, pharmacies can dispense more products, in a shorter time with compliance confidence

Cumulative pharmacy accounts on CanView
Q1 FY2021 – Q1 FY2023



CanView for Suppliers



Rather than waiting for monthly updates, CanView provides suppliers with real time data, transparency and forecasting insight

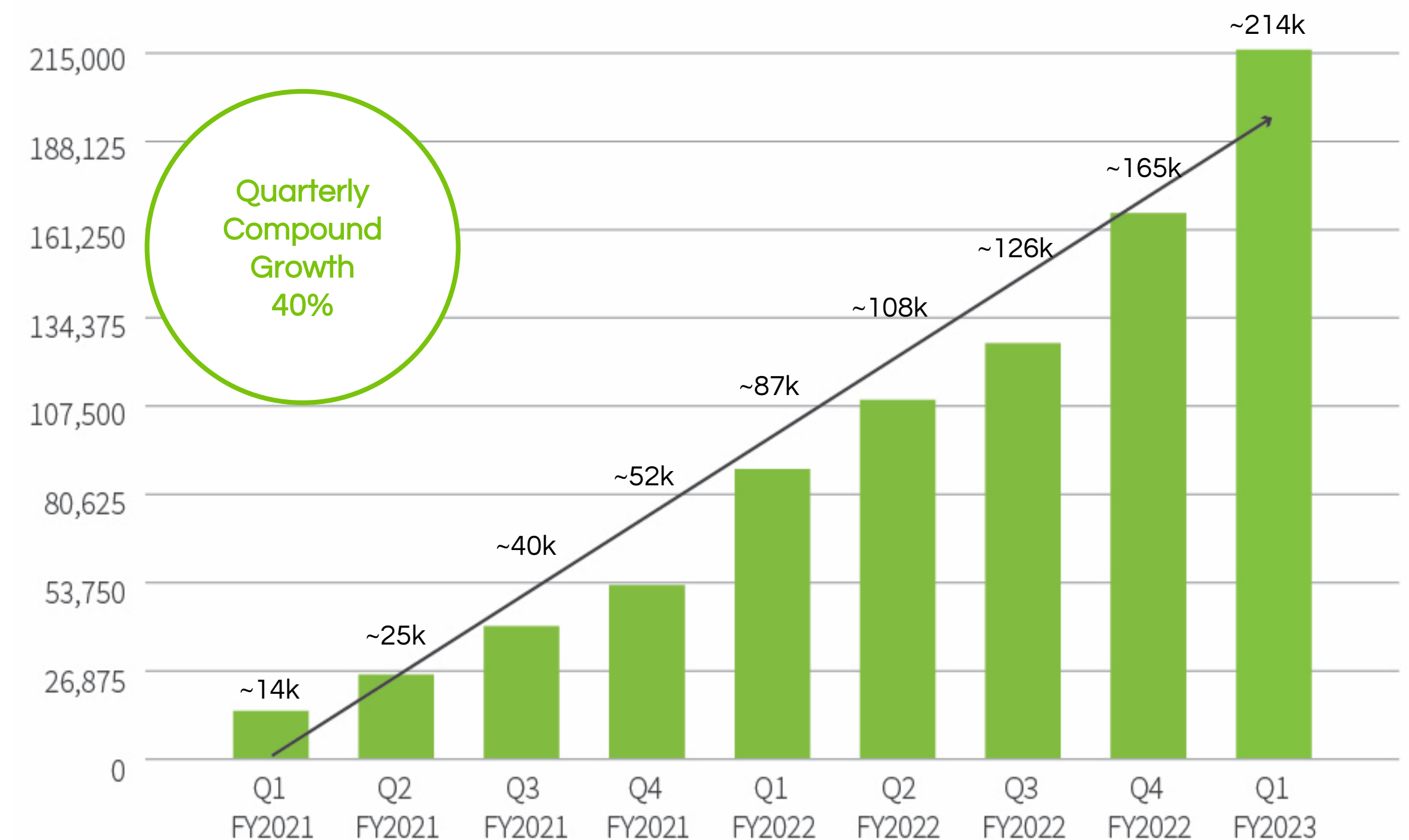
Nearly 30 of the leading suppliers are onboarded on Canview, with unit sales growing at a quarterly compound rate of 40%

- To date nearly 900k+ units have been ordered through CanView, with over 214k in the most recent quarter

CanView provides suppliers with solutions

- Transparency of inventory and sales insight is a key issue that suppliers have struggled with
- CanView provides real time inventory and sales data that is actionable insight for forecasting and manufacturing
- Numerous suppliers on CanView have seen a significant increase in unit sales based on the platform's network effect

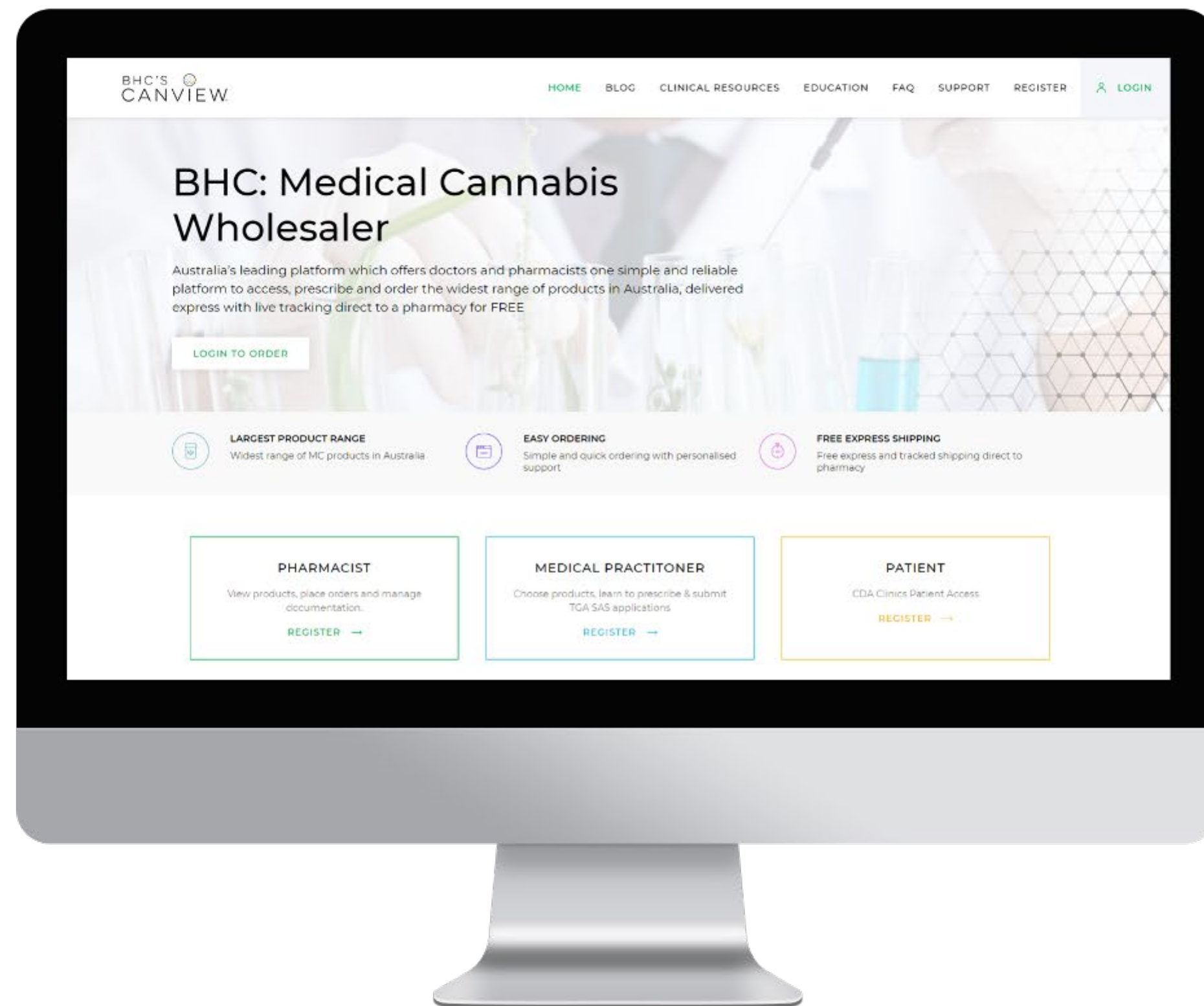
Quarterly unit sales through CanView
Q1 FY2021 – Q1 FY2023



CanView Overview and Benefits

Users enjoy significant benefits including free shipping and free to use the platform

CanView is leveraged by doctors, pharmacies and patients – underpinning access, the patient experience and compliance.



Free to use | The platform is free for all users to register and use

Compliance | Built in compliance processes for all users to fulfil their obligations with regulatory agencies

160+ SKUs | CanView has the largest product range in Australia

Education | Free 2.5 hour confident cannabis prescriber proprietary course available on the platform

Live Support | Dedicated and experienced customer support team for patients, prescribers, pharmacists and suppliers

Free Express shipping | Same day dispatch if ordered before 1pm from Melbourne or Gold Coast DC

Distribution Coverage | All states and territories

Business continuity | Suppliers have stock held in two locations

AI | Enabled to underpin user experience and compliance

The Team

Strategy and execution focused

We have assembled an experienced, commercially-focused team to execute on the strategy and create sustainable shareholder value over the long term

Experienced **Board** combining deep business development, sales, distribution, branding and regulatory expertise in the healthcare and medicinal cannabis industry. Commercial, execution-focused **management team** to deliver the strategy and create value for shareholders.



Dr Marcia Walker
*Interim Chairperson
Independent Non-
Executive Director
AUCKLAND*

- General Practice Doctor
- Board member of the New Zealand Medical Association
- Co-Founder of numerous medical clinic businesses



Dr Simone Scovell
*Independent
Non-Executive
Director
SYDNEY*

- Leader in digital health, med tech
- Founder and CEO of TOTIUM
- Director on Federal Government and corporate boards



Jenelle Frewen
*Independent
Non-Executive
Director
CANBERRA*

- Government relations expert
- Deep policy and engagement experience
- Principal consultant Precision Public Affairs



Rodney Cocks CSM
*Executive Director &
Chief Executive Officer
MELBOURNE*

- Co-Founder of CAU
- Former roles in PE, Linfox, Boston Consulting Group
- Former Victorian Australian of the Year and Harvard Fellow



Guy Headley
*Executive Director &
Chief Commercial
Officer
GOLD COAST*

- Co-Founder of CDA
- Significant commercial and distribution experience
- Chair of industry body Emerging Therapeutics Association of Australia



Tom Howitt
*Chief Financial
Officer & Company
Secretary
MELBOURNE*

- Former CFO of Global Kinetics Corporation, Genetic Technologies and Intermoco
- Chartered Accountant and former EY Manager

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