

FY22 FINANCIAL RESULTS PRESENTATION DECK

Melbourne, Australia, 29 August 2022 – Following the release earlier today of the Company's ASX Appendix 4E and 2022 Financial Report, Cronos Australia Limited (ASX:CAU) is pleased to release the attached presentation that will be used at the investor webinar that will be held at the time and date set out below at which key Executives will present the Company's 2022 financial results.

Time and date: **Wednesday, 31 August 2022 at 12.00 noon** (Melbourne time)

Link: https://webcast1.boardroom.media/watch_broadcast.php?id=6306fb404eb69

**** ENDS ****

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.cdahealth.org
 - www.cdaclinics.com.au
 - www.burleighheadscannabis.com
 - www.cannadoc.com.au

Authorised by

Rodney Cocks, Chief Executive Officer and Executive Director

Contact

Cronos Australia Limited

Rodney Cocks
Chief Executive Officer & Executive Director
1300 799 491
info@cronosaustralia.com

Media enquiries

Mark Hawthorne
The Civic Partnership
+61 418 999 894
mark.hawthorne@civicpartners.com.au

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.

For personal use only

FY22 Results Presentation

Monday 29 August 2022

- ASX Appendix 4E
- Declaration of Fully Franked Dividend



Investment Highlights

Outstanding growth in FY22, extremely well positioned for FY23

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

Profitable and highly cash generative

- Outstanding growth in FY22
 - FY22 revenue of **\$67.0m (208% YoY growth)**
 - FY22 EBITDA of **\$10.5m (390% YoY growth)**
 - FY22 NPAT of **\$6.0m (324% YoY growth)**
 - Cash at Bank 30 June 2022 **\$16.1m**

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 2022¹**
- Australian medicinal cannabis market forecast to exceed **\$400m by end CY22 (up from \$230m in CY21)¹**

Fully Franked Dividend Declared

- **1.0c fully franked** dividend declared
- Shareholders invited to participate in a **DRP** at a 3% discount to 10-day VWAP
- **Record date** 19 September 2022
- **Payment date** 11 October 2022
- **The only ASX listed** medicinal cannabis company to declare a dividend to date

Deep competitive advantages

- CanView's competitive advantage
 - **700+ registered prescribers**
 - **~7,000 registered patients**
 - **2,800+ pharmacies (~50% of all nationally)**
 - **160+ branded products from 25+ 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 Financial Highlights

Strong results, 200%+ growth across all financial metrics

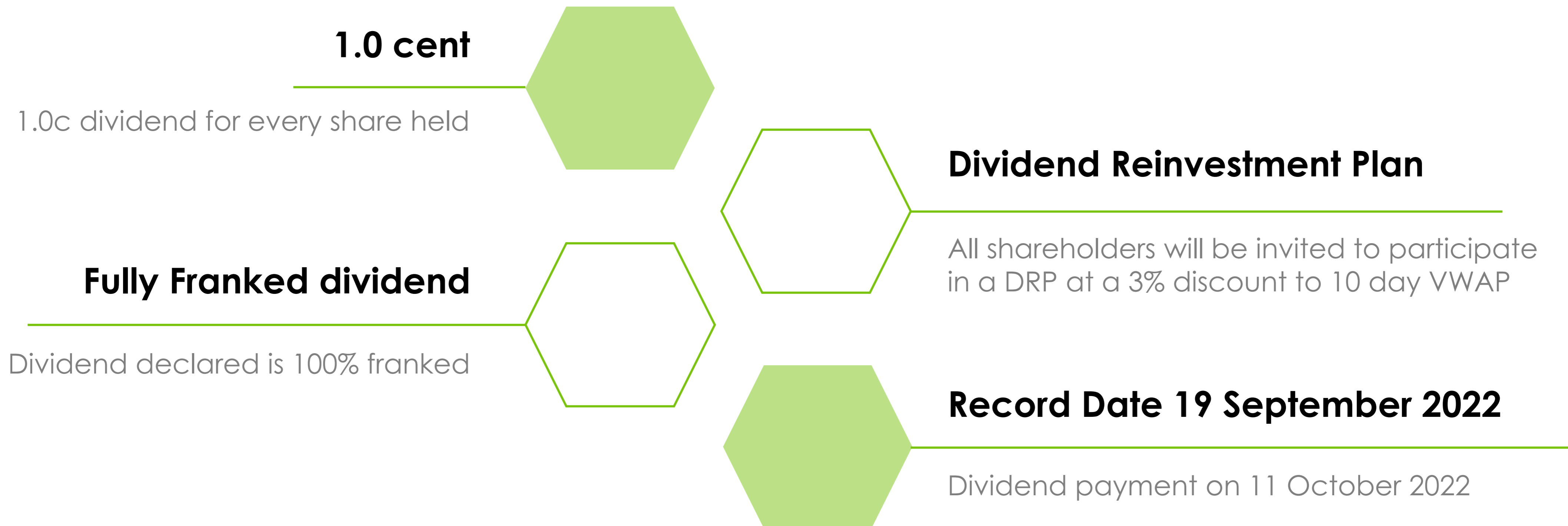
Cronos Australia has delivered strong financial results in FY22, growing in excess of 200% on all financial metrics and positioning the Company for sustainable, scalable growth into FY23 and beyond

	FY2022	Movement	FY2021
Revenue	\$67.0 million	208% ▲	\$21.7 million
Gross profit	\$25.4 million	282% ▲	\$6.7 million
EBITDA	\$10.5 million	390% ▲	\$2.1 million
Net profit after tax	\$6.0 million	324% ▲	\$1.4 million
Net operating cashflows	\$13.5 million	1164% ▲	\$1.1 million
Cash at bank	\$16.1 million	673% ▲	\$2.1 million

- Q4 FY22 cash receipts of \$23m annualising at **\$92m**
- Cash of **\$16.1m** at 30 June 2022 with no debt
- FY22 average gross margins of between **35% to 40%** across product range

Declaration of Fully Franked Dividend and DRP

Another first for Cronos Australia, the only ASX listed medicinal cannabis company to deliver a profit and now, the first ASX listed medicinal cannabis company to declare a dividend

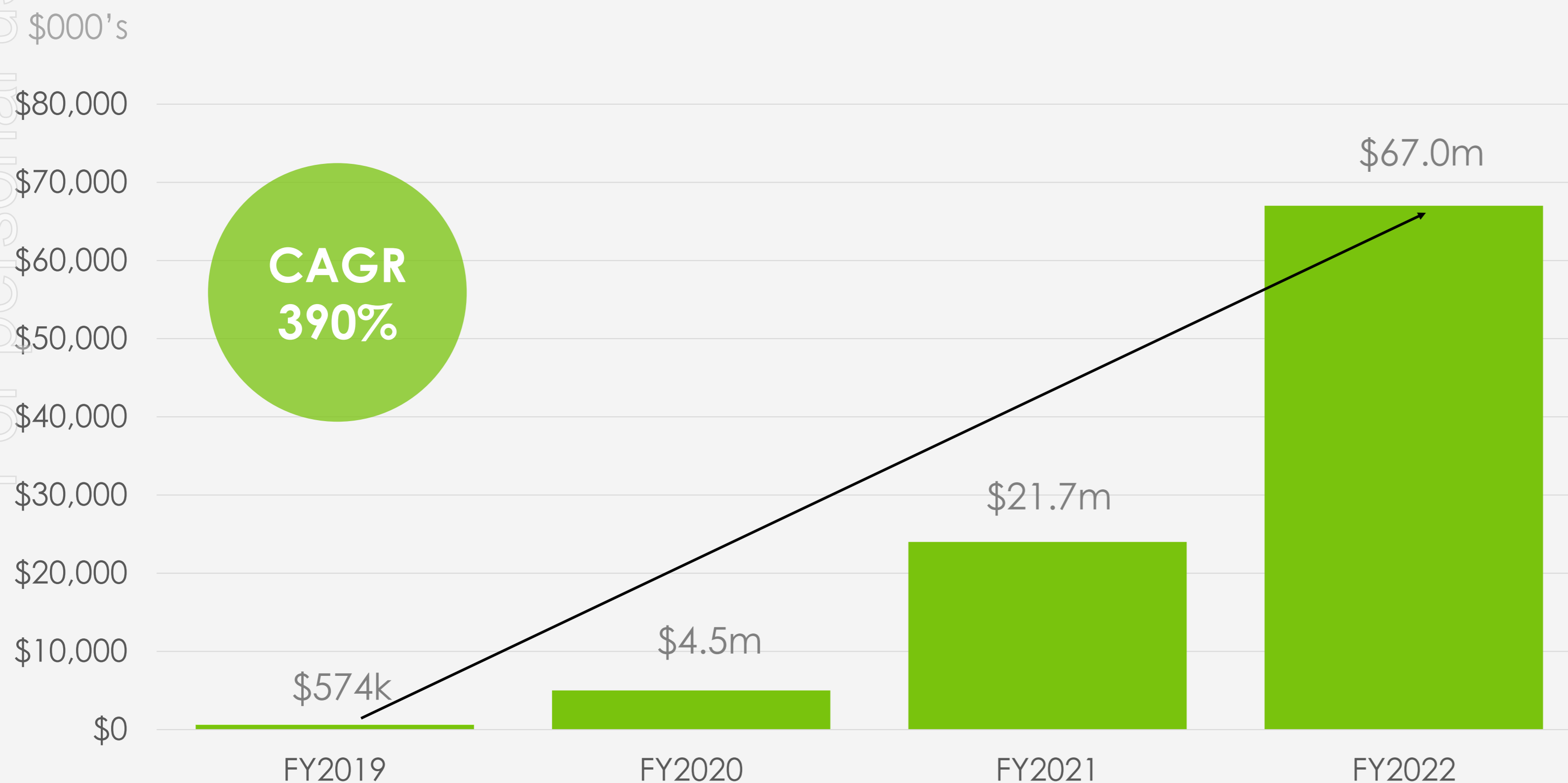


The Board of Cronos Australia will look to assess the payment of any future dividends with a capital management framework alongside other potential investment and growth opportunities which may be available to the Company, with a view to maximising value for shareholders

Significant revenue growth has continued since FY19

Revenue for FY22 is \$67.0m achieving a 390% CAGR since FY19, the Financial Year CanView was launched

For personal use only



- 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 scripts 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 2.2% of all Australian GPs on the CanView platform

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

Financial Overview FY22 Results



Income statement - strong growth and profitability

	30 June 2022 \$'000s	30 June 2021 \$'000s
Continuing operations		
Revenue	66,992	21,712
Cost of sales	(41,565)	(15,056)
Gross profit	25,427	6,656
Other income	264	216
Accounting, tax and audit fees	(400)	(84)
Administration expenses	(1,995)	(1,118)
Finance costs	(441)	(28)
Legal and regulatory expenses	(446)	(17)
Personnel expenses	(12,135)	(3,262)
Sales, marketing and distribution	(529)	(475)
Profit before income tax	9,745	1,888
Income tax expense	(3,732)	(470)
Profit for the year	6,013	1,418
Other comprehensive income/(loss)	(132)	-
Total comprehensive profit for the year	5,881	1,418

- Total revenue for FY22 at \$67.0m, representing 208% year-on-year growth
- Based on current sales and growth, revenue for FY23 is likely to exceed \$100m
- EBITDA of \$10.5m achieved in FY22 with year-on-year growth of 390%
- FY22 average gross margins of between 35% to 40% across product range, with levers available to maintain or increase margins in future
- Personnel costs include \$2.5m of non-cash costs that will reduce materially in FY23
- Recoupment of tax losses to reduce income tax expense of \$3.7m to a tax payable amount of only \$1.7m

Balance sheet - robust financial position

	30 June 2022	30 June 2021		30 June 2022	30 June 2021
	\$'000s	\$'000s		\$'000s	\$'000s
ASSETS			LIABILITIES AND EQUITY		
Current assets			Current liabilities		
Cash and cash equivalents	16,077	2,079	Trade and other payables	9,557	3,369
Trade and other receivables	5,759	2,180	Interest-bearing liabilities	489	182
Inventories	5,030	3,101	Current tax liabilities	1,662	542
Other assets	721	164	Employee benefit provisions	463	198
Total current assets	27,587	7,524	Total current liabilities	12,171	4,291
Non-current assets			Non-current liabilities		
Property, plant and equipment	624	218	Interest-bearing liabilities	4,571	536
Right-of-use assets	4,961	690	Employee benefit provisions	50	13
Intangibles assets and goodwill	7,158	157	Total non-current liabilities	4,621	549
Deferred tax assets	1,938	76	Total liabilities	16,792	4,840
Other assets	598	138	Equity		
Total non-current assets	15,279	1,279	Share capital	22,776	3,677
Total assets	42,866	8,803	Reserves	(3,149)	(141)
			Retained earnings	6,474	427
			Non-controlling interests	(27)	-
			Total equity	26,074	3,963
			Total liabilities and equity	42,866	8,803

- In excess of \$16m of cash
- Apart from standard leases, CAU has no material debt
- Net tangible assets of more than \$18.9m, up 400%
- Inventory turn improved during FY22 from 7x to 10x
- Goodwill of \$6.5m relates to merger with CDA Health
- Tax liability of \$1.7m reflects tax loss recoupment

Cash flow statement - growing positive cashflows

	30 June 2022 \$'000s	30 June 2021 \$'000s
Cash flows from/(used in) operations		
Receipts from customers	69,607	20,204
Payments made to suppliers and employees	(55,473)	(19,217)
Interest received	8	-
Income tax paid	(541)	(3)
Interest and other finance charges paid	(96)	-
Receipts from Government schemes	-	84
Net cash flows from/(used in) operations	<u>13,505</u>	<u>1,068</u>
Cash flows from/(used in) investing		
Cash acquired on merger with CDA Health	2,466	-
Proceeds from sale of medical clinic	219	-
Purchases of plant and equipment	(365)	(175)
Payment of security deposits and intangibles	(323)	(84)
Payment for buyout of interests	-	(220)
Net cash flows from/(used in) investing	<u>1,997</u>	<u>(479)</u>
Cash flows from/(used in) financing		
Payment of transaction costs	(1,186)	(2)
Lease payments	(318)	(127)
Proceeds from the issue of shares	-	337
Repayment of borrowings	-	(252)
Net cash flows from/(used in) financing	<u>(1,504)</u>	<u>(44)</u>
Net increase in cash and cash equivalents	13,998	545
Cash and cash equivalents at the start of the year	<u>2,079</u>	<u>1,534</u>
Cash and cash equivalents at the end of the year	<u>16,077</u>	<u>2,079</u>

- Receipts from customers grow year-on-year by 245%
- Net cash flows from operations exceed \$13.5m, up 1,164% on FY21
- Receipts from customers exceed total revenues by \$2.6m demonstrating strong working capital management
- \$2.5m of cash acquired on merger with CDA

Strategy and Outlook



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 Ben Jansen
Non-Executive Director
GOLD COAST

- **Co-Founder of CDA**
- A **leading cannabis doctor**, educator and lecturer in Australia
- Deep **patient centric** approach



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**



Ray Deetlefs
Chief Operating Officer (acting)
GOLD COAST

- **Executive experience in healthcare**, telecommunications and education
- **B2B and B2C entrepreneurial experience** in early learning sector

Strategic Priorities in FY23 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 – FY22

- **ACHIEVED** 2800+ 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** 700+ prescribers or 2.2%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 – FY23

Primary targets for FY23

- Onboarding prescribers against ambitious targets – still 97.8% 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 FY23.

- Cronos Australia has delivered outstanding, profitable growth in **FY22 with \$67m of revenue that generated \$10.5m in EDITDA**
- 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, **700+ prescribers, 2,800+ pharmacies and ~7,000 patients onboarded to CanView**
- We have an aligned board and management, with **proven execution capability** to delivery on the strategy



CDACLINICS



For personal use only

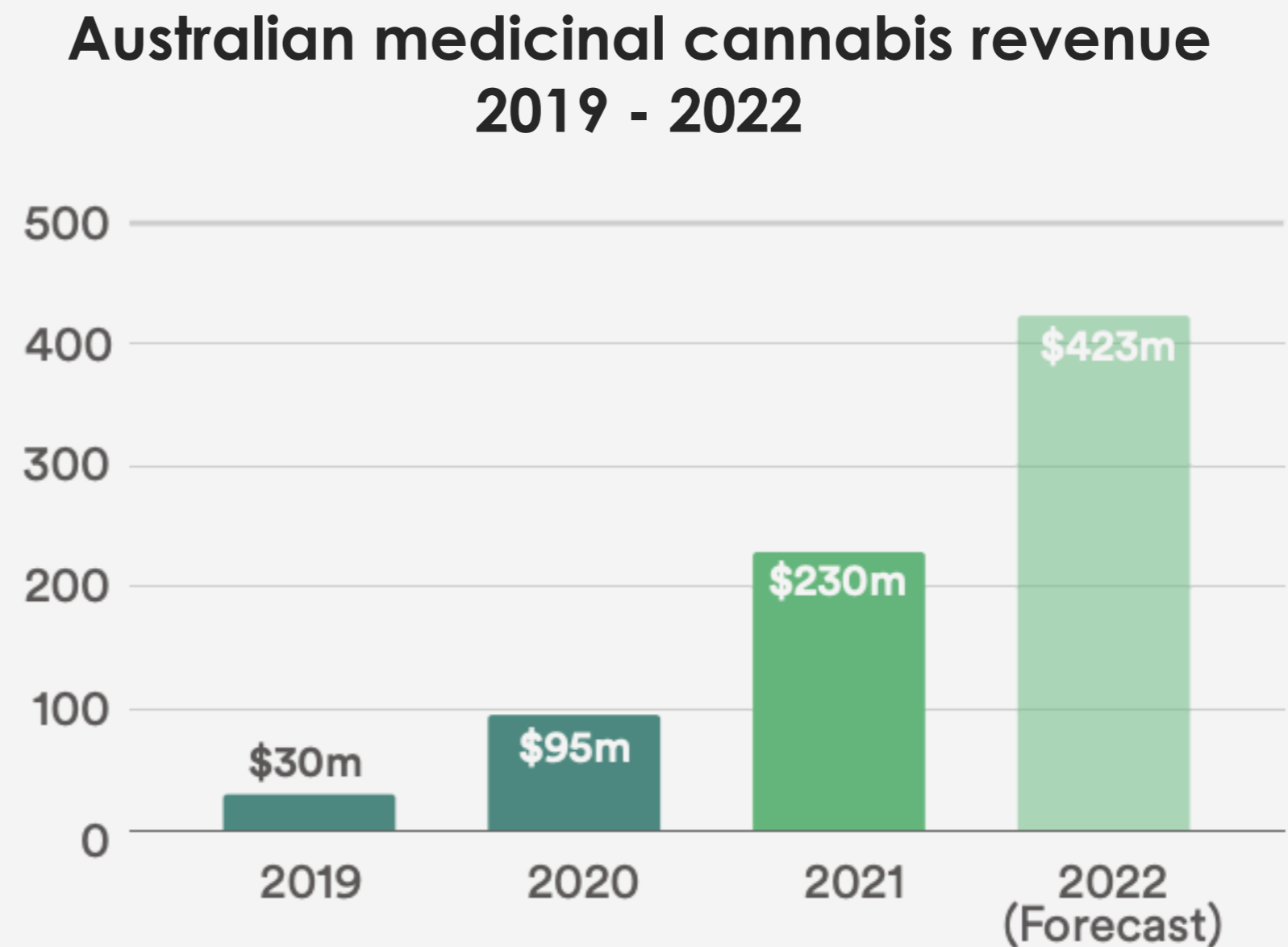
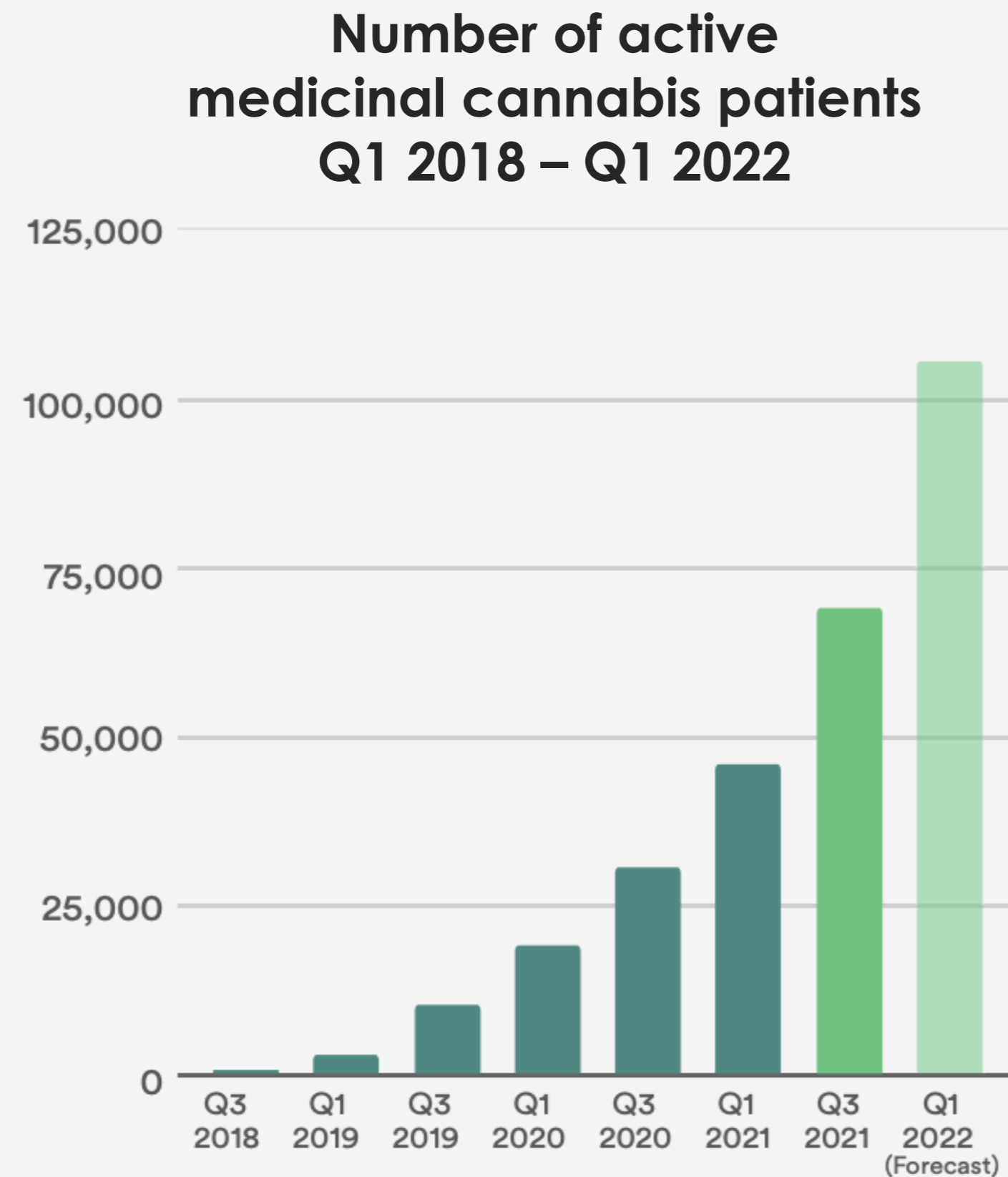
Company Overview

CanView - Australia's largest and most trusted medicinal cannabis marketplace



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.



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

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

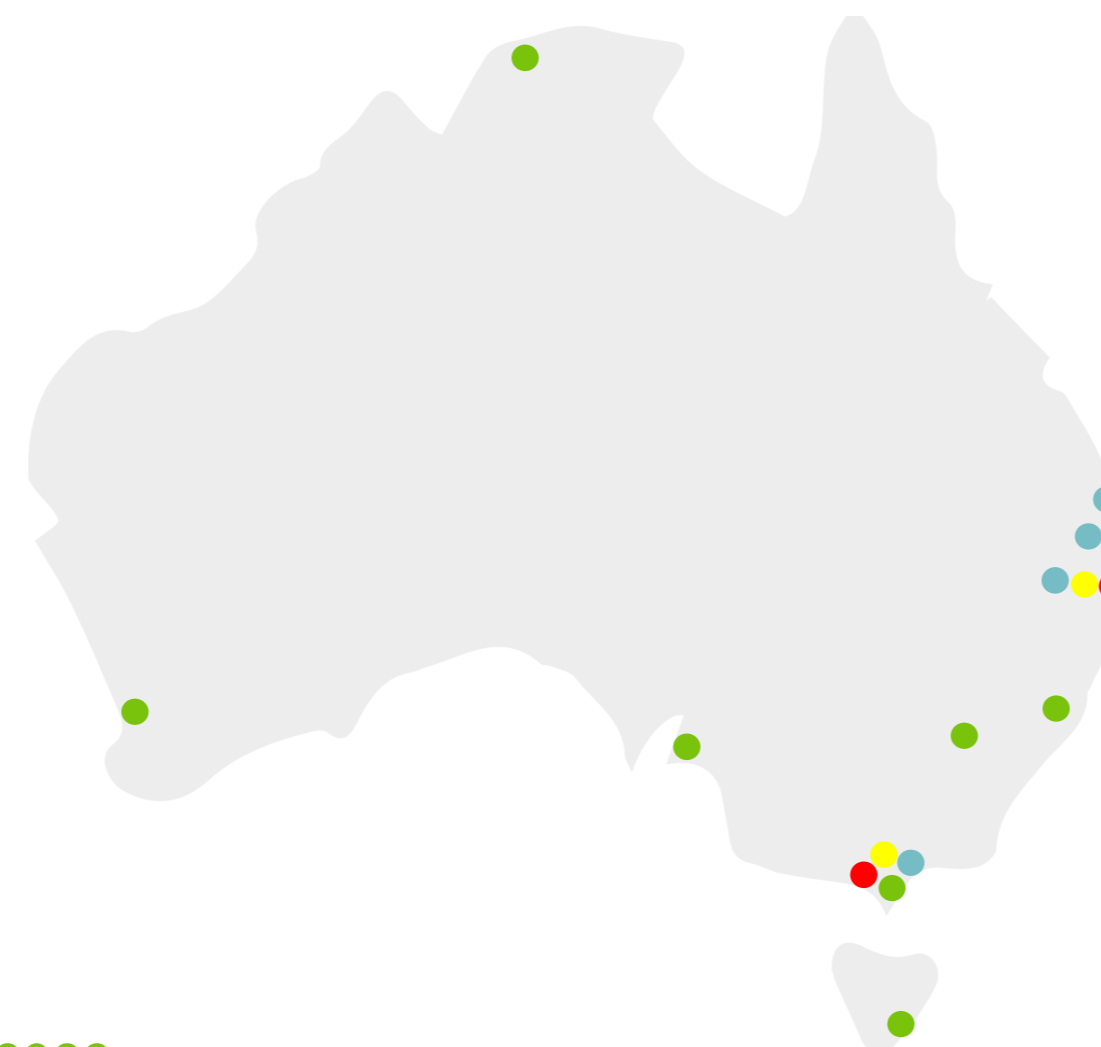
- We operate Australia's largest medicinal cannabis marketplace, CanView, that is an online ecosystem for prescribing, ordering, dispensing and education
- More than 25 suppliers and brands trust CanView for the prescription, sale and distribution of their products, with nearly 700k units being sold through CanView to date
- We sell more than 160 SKUs, including medicinal cannabis oil and whole flower products



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

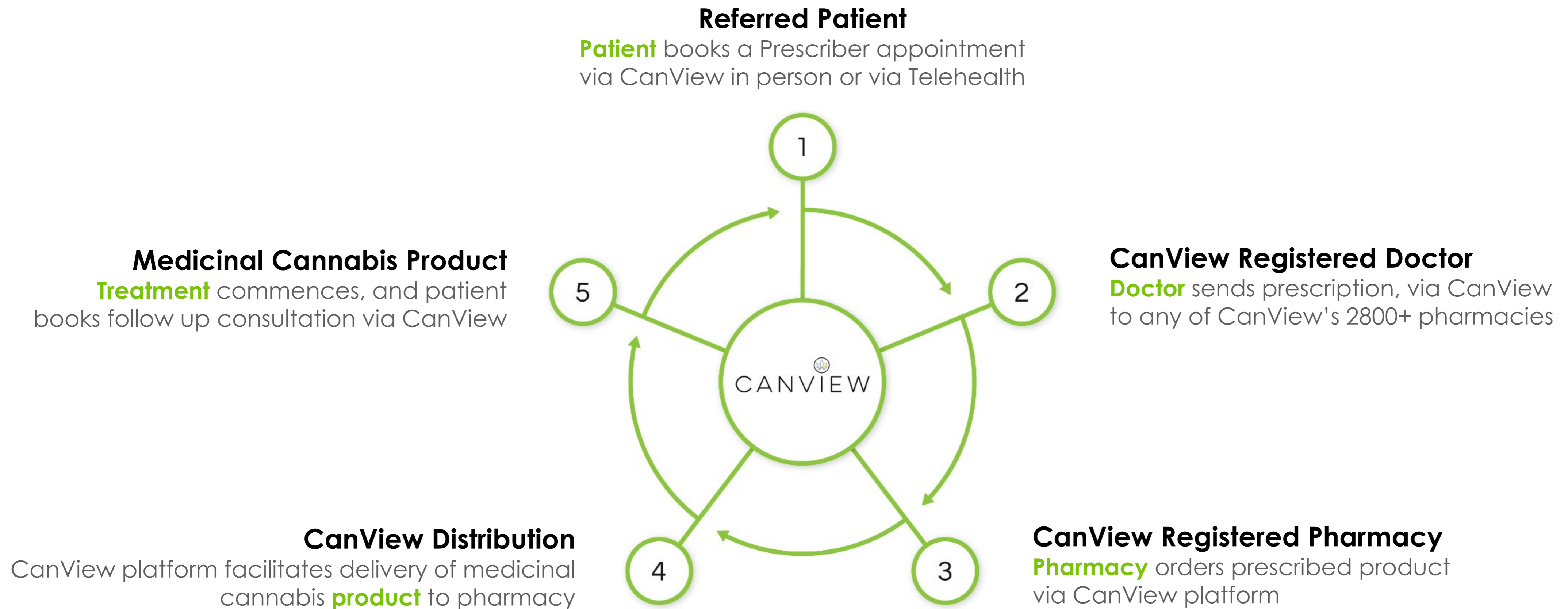
- CDA CLINICS
- Business Support Office
- CanView Distribution Centre
- Medical Science Liaison coverage



- ✓ **700+** Prescribers Nationwide in all states and territories
- ✓ **2,800+** 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 CanView Platform

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



CanView for Patients



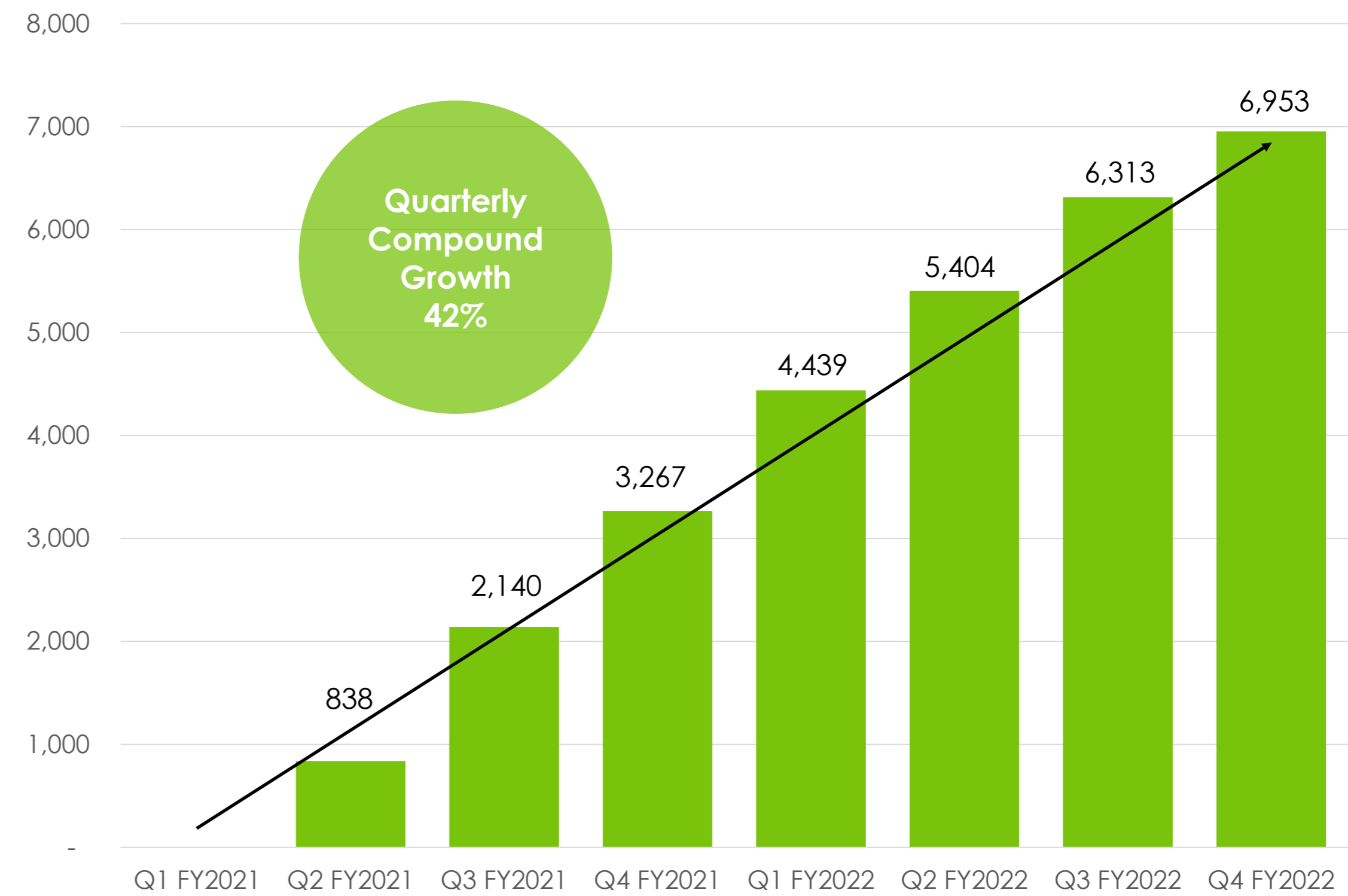
CanView solves multiple problems for patients that were previously impossible, or very difficult to achieve, without the platform

The number of Patients on CanView has grown significantly with 42% 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 – Q4 FY2022



CanView for Prescribers



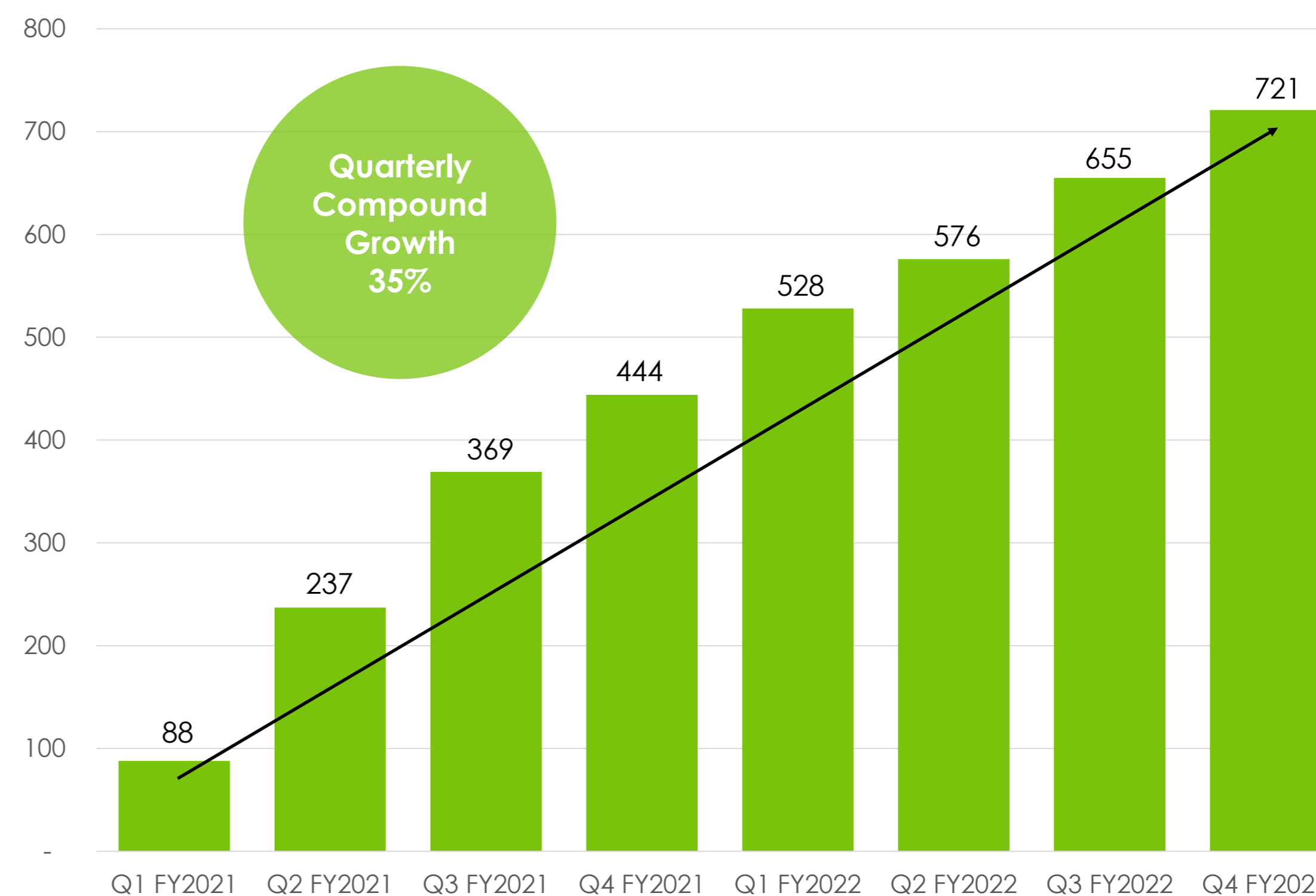
Based on feedback, CanView makes prescribing for medical practitioners streamlined and underpins their compliance obligations for regulators, including AHPRA and the TGA

Quarter on quarter the number of Prescribers grew at a compound rate of 35% to 700+ (only 2.2% of GPs)

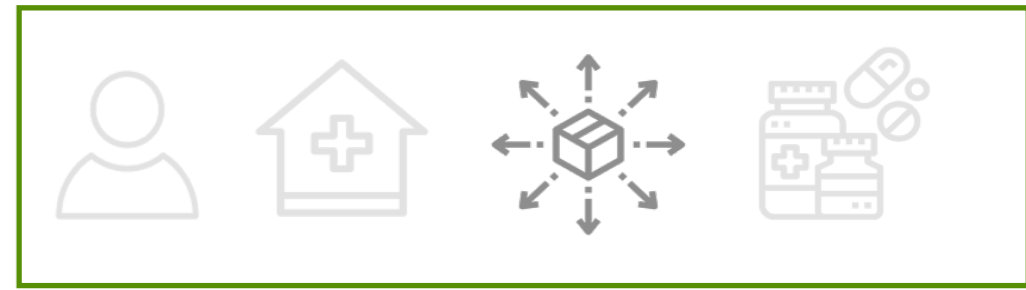
CanView provides Prescribers with solutions

- 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 – Q4 FY2022**



CanView for Pharmacies



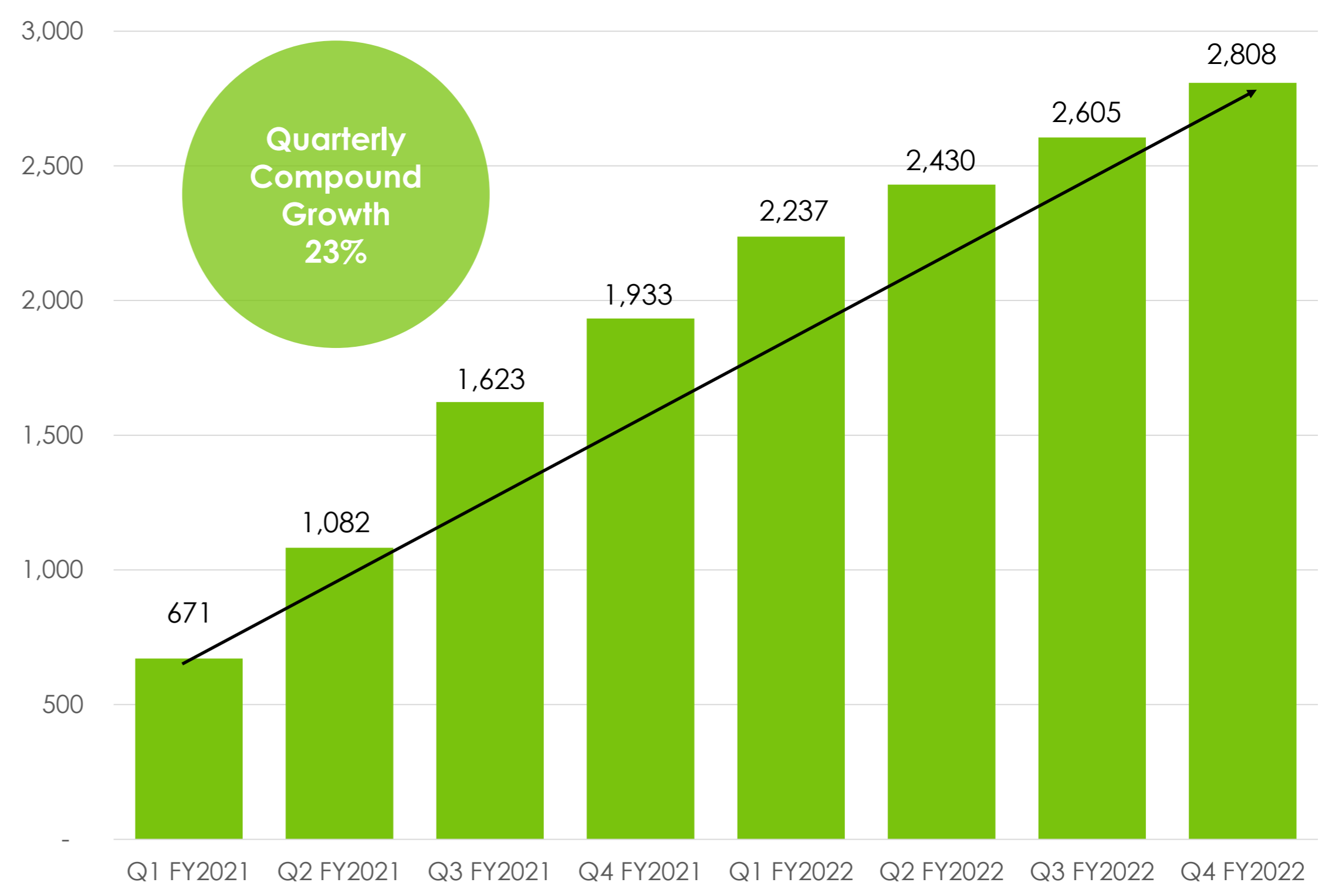
CanView has integrated significant feedback from pharmacies, which saves them time, delivers on compliance and makes dispensing extremely efficient

CanView has onboarded approximately 2,800 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 – Q4 FY2022



CanView for Suppliers



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

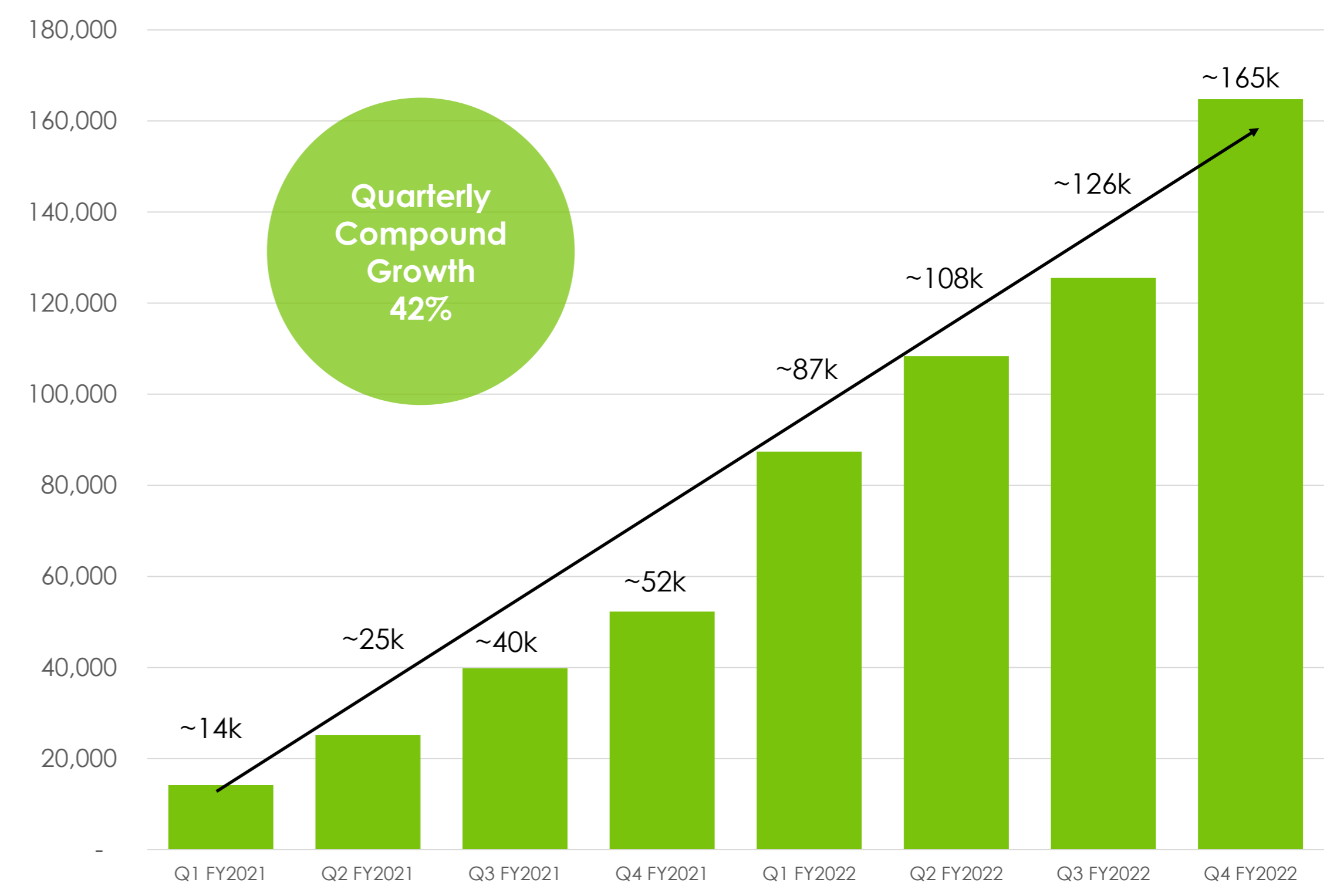
More than 25 leading suppliers are onboarded on Canview, with unit sales growing at a quarterly compound rate of 42%

- To date nearly 700k units have been ordered through CanView, with 165k 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 – Q4 FY2022**



For personal use only

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

Disclaimer

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 nor does it contain all the information which a prospective investor may require in evaluating a possible investment in Cronos Australia or that would be required in a prospectus or other disclosure document prepared in accordance with the requirements of the Corporations Act 2001 (Cth.) (Corporations Act).

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.

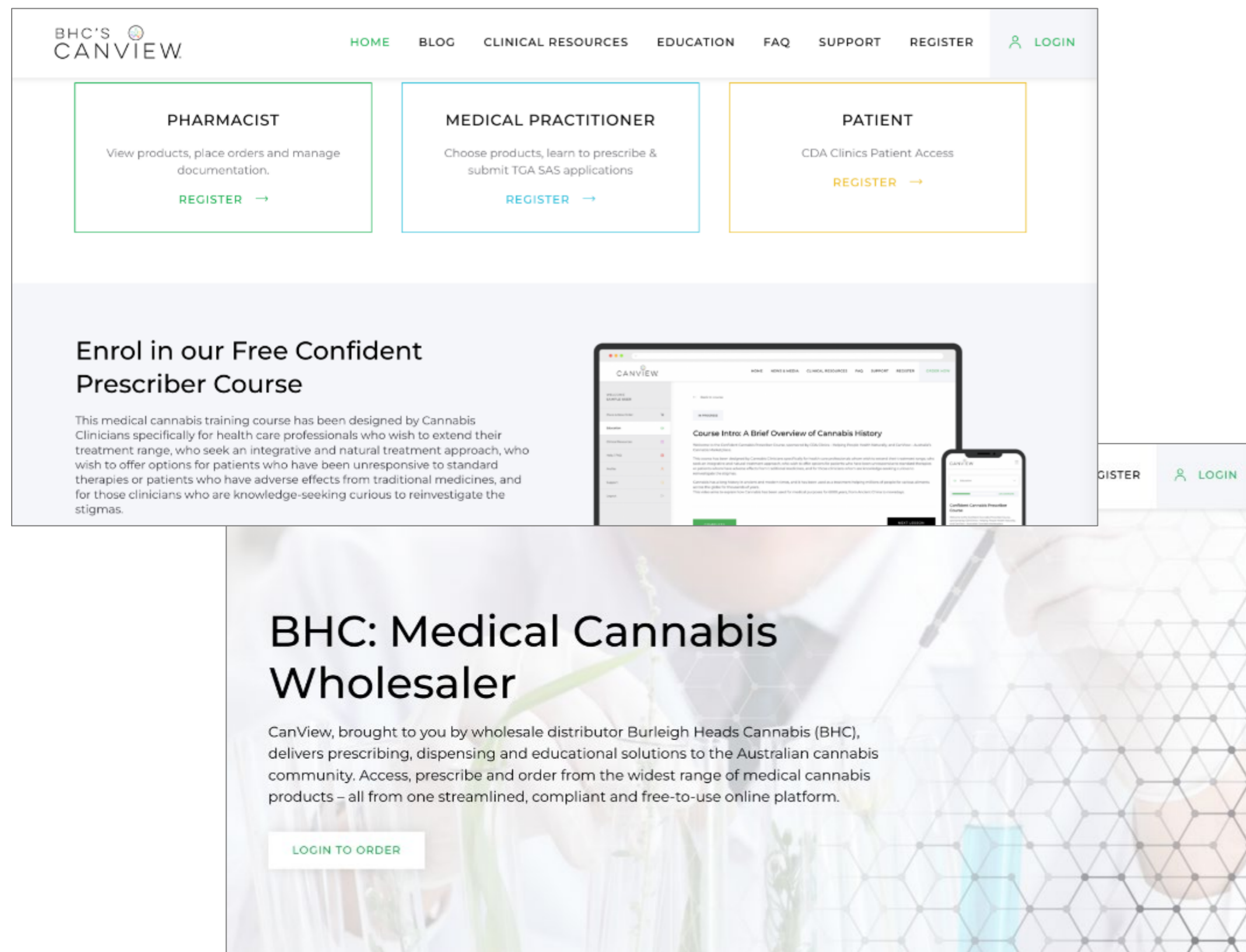
Not an offer

This Presentation is not a prospectus or other disclosure document under the Corporations Act and will not be lodged with the Australian Securities and Investments Commission. This Presentation is for information purposes only and is not an invitation or offer of securities for subscription, purchase or sale in any jurisdiction.

APPENDIX 1

CanView Overview and Benefits

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

For personal use only

cronosaustralia.com | ASX: CAU

info@cronosaustralia.com | 1300 799 491

