



Cymra Life Sciences

Australian grown organic cannabis biotech

AUGUST 2024

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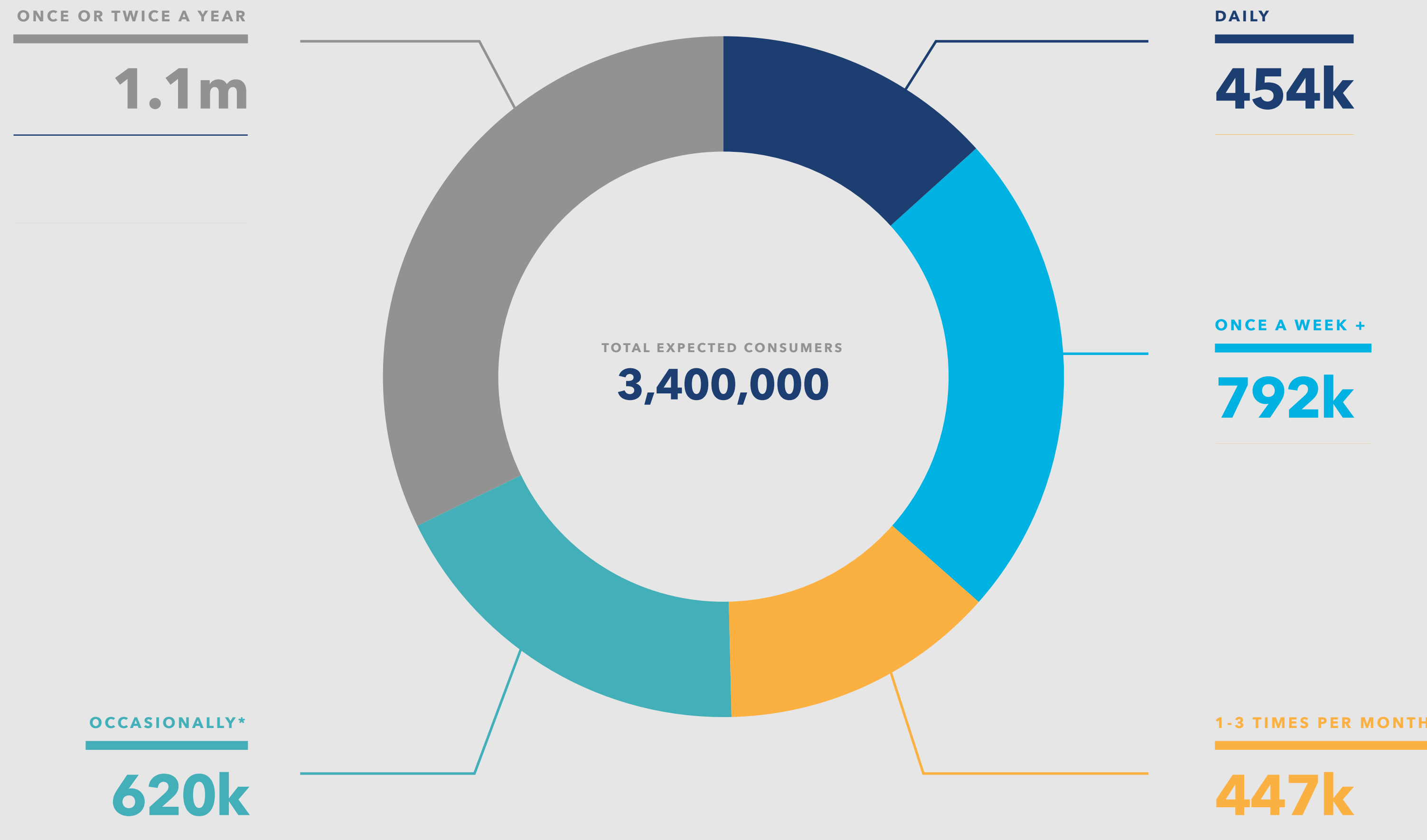
MARKET GROWTH

**\$1bn Australian medical
cannabis market poised for 5x
growth by 2028.**



Expected cannabis usage following legalisation

Based on Australian census data and frequency of use reported in the National Drug Strategy Household Survey. Data adjusted for estimation rates of under-reporting and for an expected 15% growth in demand post legislation.



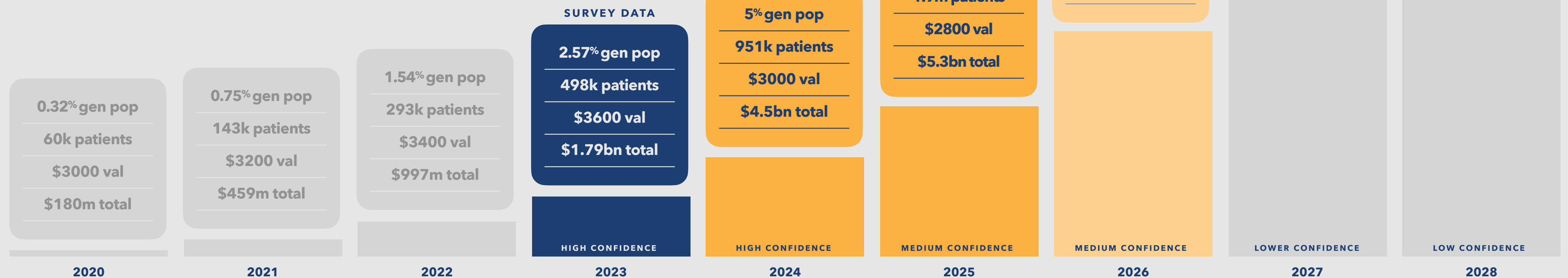
Australia's Parliamentary Budget Office estimates a legalised market would deliver a **\$28 billion** windfall for the public purse in the first decade.

*use cannabis every few months. Chart: The Conversation • Source: Authors calculations based on data from NDSHS 2019, ABS • Originally created with datawrapper - revised design by CYMRA

Australian medical cannabis market - how big will it be?



**50% of investigators...
10% of population
likely by end of 2025...**



Who are the cannabis patients and what do they want?



Australian illegal and medical cannabis U&A study:

Aim:

To gain a deeper understanding of:

- Awareness
- Knowledge
- Illegal use
- Prescription use
- Attitude
- Frequency
- Quantity
- Format
- Conditions & effects
- Needs & desires

2 x Australian panels:

Patient panel - n= 3428 individuals with an existing medical cannabis prescription.

General population panel - n=1010 (included 2.57% of general population with medical cannabis prescription)

Methodology:

High engagement survey - 8-15mins, 25+ questions.

Representation:

18 - 75 age
Regional and Metro
All demographics

Illegal use vs. medical use:

An emphasis was placed on attempting to understand the differences between medical prescription usage vs. black market usage. ie If Australian illegal cannabis users intend to convert to a legal and more controlled prescription.

Australia's biggest cannabis Usage & Attitude study



Cymra commissioned an independent research agency, Hoop Group to conduct a national representative study of Australians 18-75 and a deep dive into the attitudes and behaviours of the current active market place.



Australian 'all cannabis use' snapshot - March 2024

PRESCRIPTION PATIENTS

2.57%

489k

\$1.7bn

69% YOY

Current patients only represents

11%

Of those claiming to be investigation a prescription in 2024.

CANNABIS REJECTORS

51%

9.3m

CURRENT ILLEGAL USE

17%

3.1m people

(\$11.3bn)

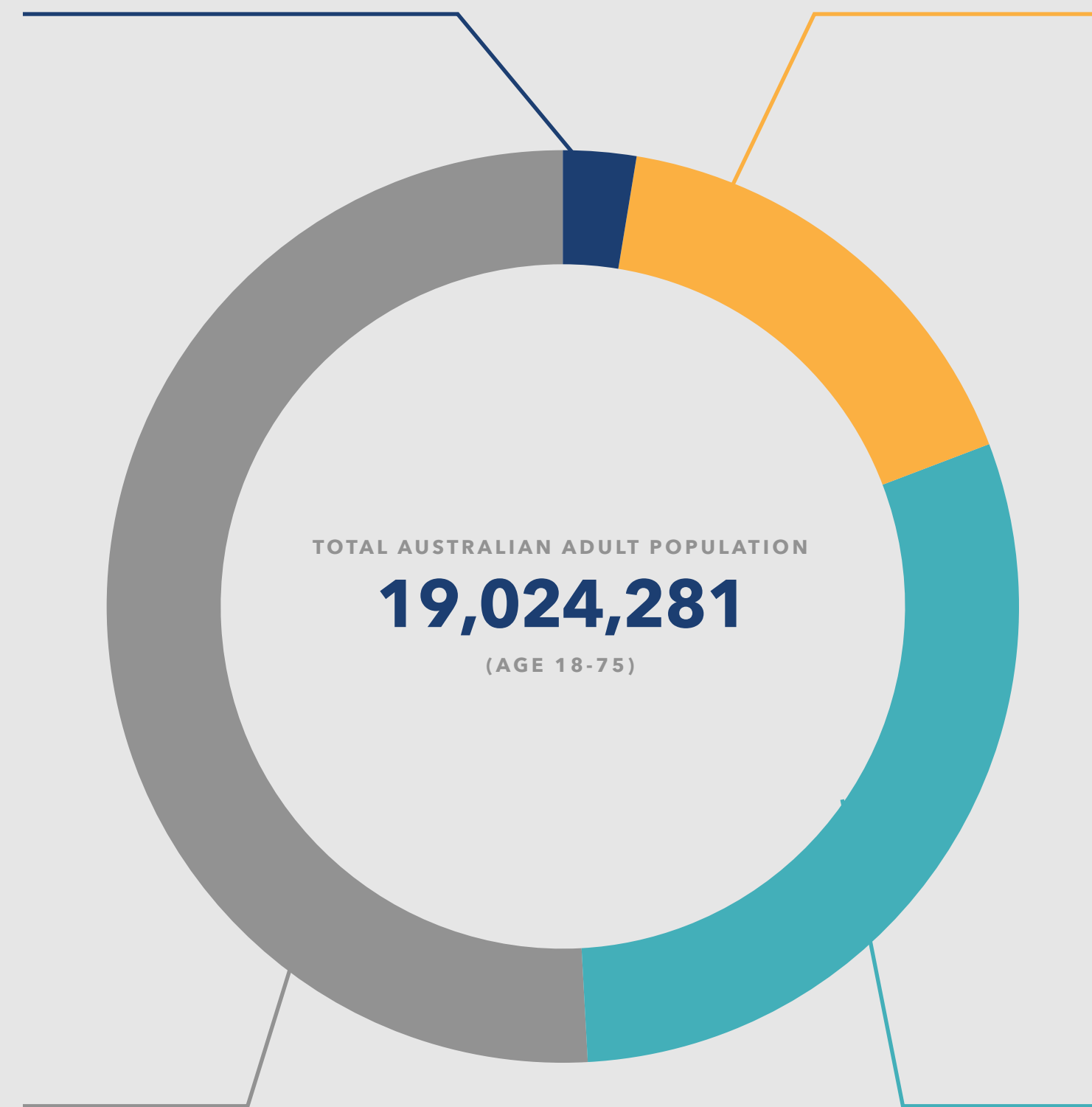
'Very likely' to seek a prescription

PAST / LAPSED ILLEGAL USE

29%

5.6m people

'Quite likely' to seek a prescription



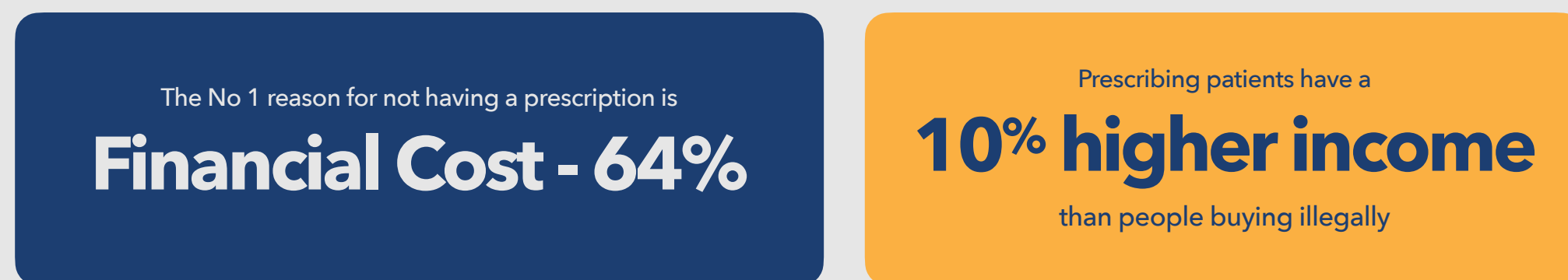
Each month
c17,000
\$62m
New patients from illegal use

Illegal cannabis usage

What best describes your illegal cannabis usage and monthly spend?

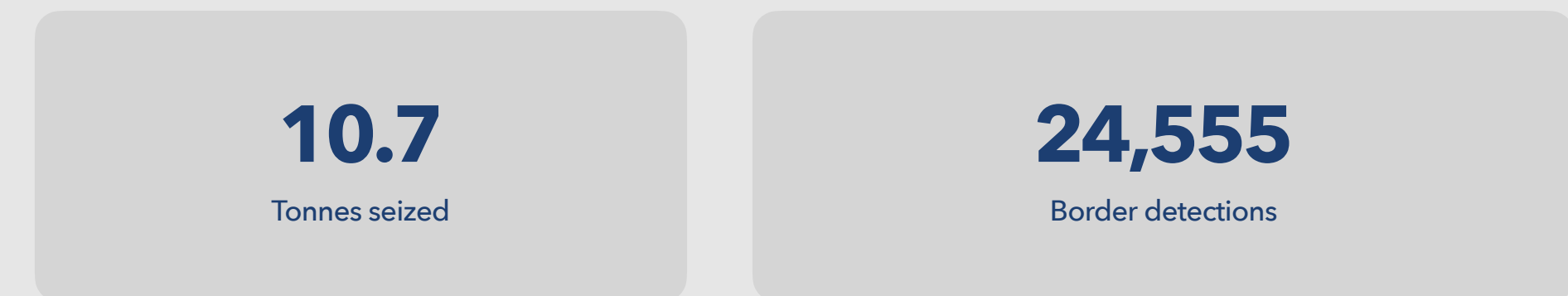


Prescriptions for the wealthier?



Source: Hoop group cannabis survey 2024

LEGAL ENFORCEMENT:



Number, weight and percentage change of national cannabis seizures, 2019-20 and 2020-21, by jurisdiction

State/Territory	Number			Weight (grams)		
	2019-20	2020-21	% Change	2019-20	2020-21	% Change
New South Wales	18,814	17,278	-8.2%	4,072,121	2,993,153	-26.5%
Victoria	4,067	3,681	-9.5%	1,681,821	4,101,061	143.8%
Queensland	18,689	15,344	-17.9%	2,733,103	1,175,778	-57.0%
South Australia	278	463	66.5%	871,732	899,800	3.2%
Western Australia	15,601	13,481	-13.6%	654,936	976,327	49.1%
Tasmania	2,331	2,811	20.6%	173,543	223,544	28.8%
Northern Territory	2,036	1,754	-13.9%	90,742	172,472	90.1%
Australian Capital Territory	638	387	-39.3%	384,689	245,215	-36.3%
Total	62,454	55,199	-11.6%	10,662,687	10,787,350	1.2%

PENINGTON INSTITUTE (2024)

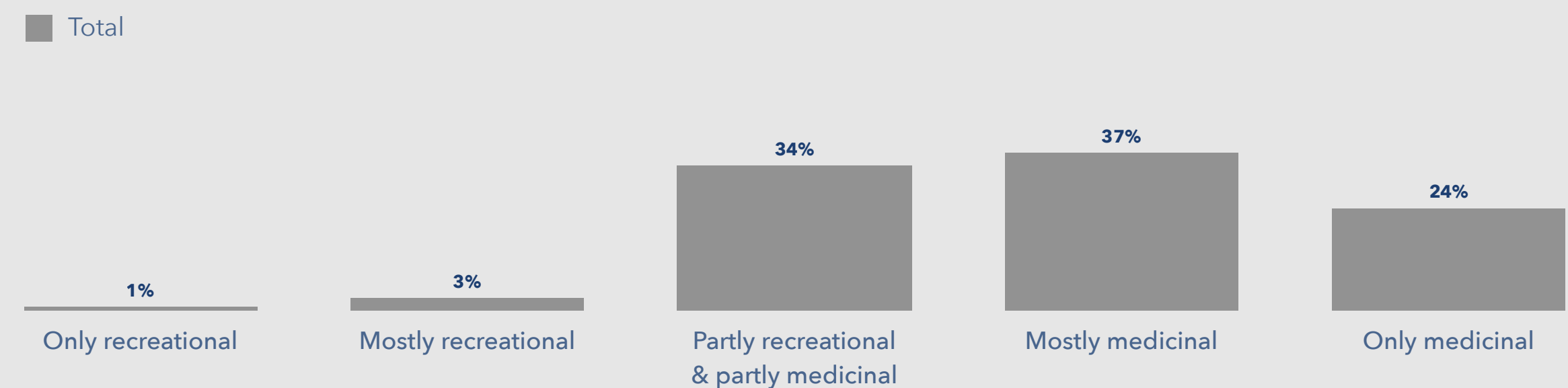
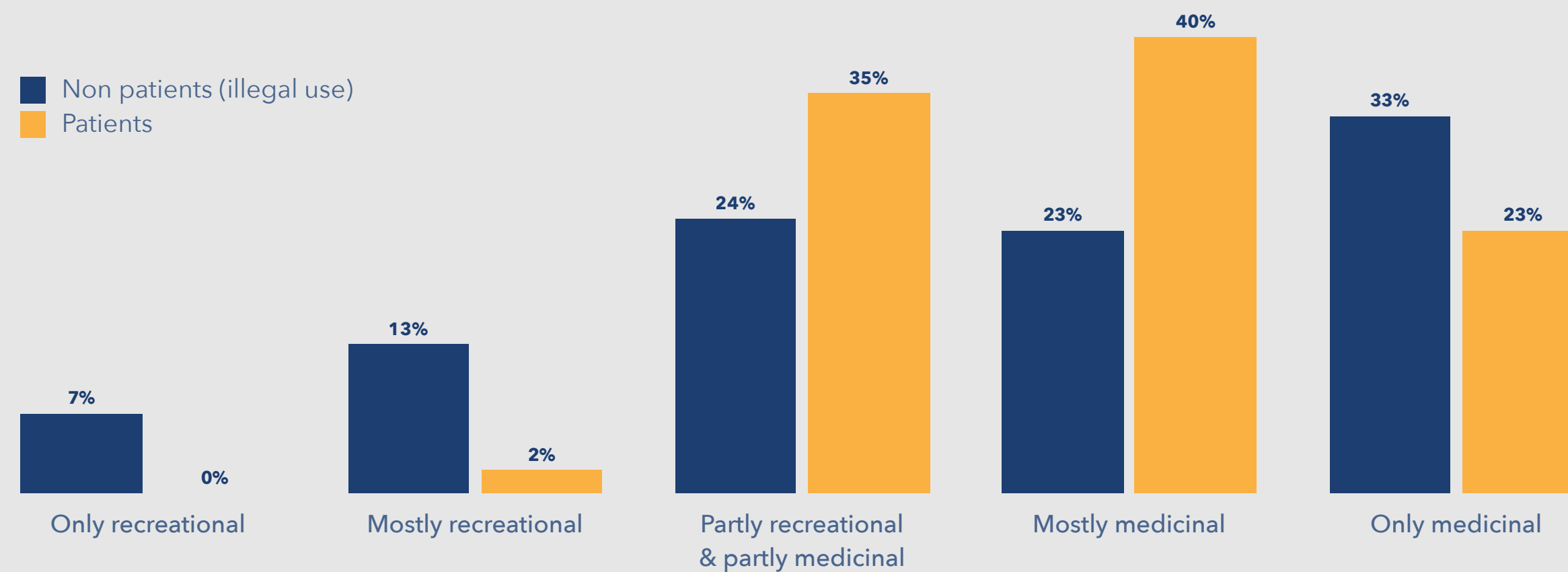
Cannabis remains the most-used and the most-policed substance in Australia. Indicators of cannabis demand and supply in Australia point to a large market that is well supplied.

There were an unprecedented 24,255 border detections of illicit cannabis in 2020-21 (the most recent year of data) - almost double the number from the previous year

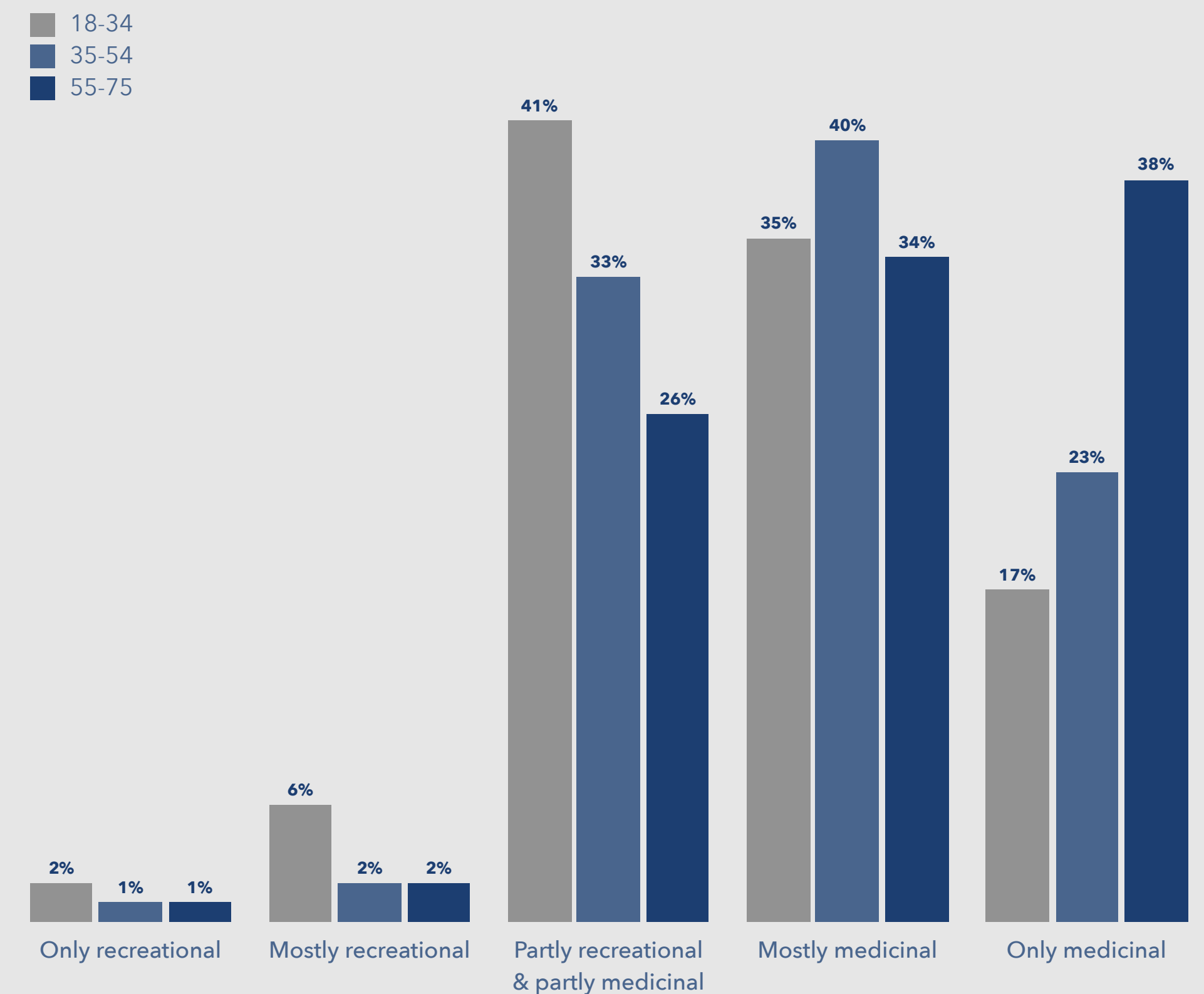
Source: ACIC (2023), p.53

Cannabis is prescribed for medical conditions but is also used recreationally for relaxation and socialisation. With your prescription or future prescription how do you view your own usage of medical Cannabis?

Medical cannabis used recreationally



Age segments



Medical cannabis - benefits

QUESTION:

Do you think that a legally regulated medical Cannabis scheme offers any of these benefits? Please select how much 'you agree or disagree' for each of the statements.

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Top 2 Box
Improved quality cannabis product	4%	5%	27%	45%	20%	65%
Easier access to cannabis products	5%	8%	26%	41%	19%	61%
Tax revenue from cannabis sales	4%	6%	32%	39%	20%	58%
Decriminalisation/fewer arrests	5%	10%	30%	36%	19%	55%
Lower prices for cannabis product	5%	11%	37%	34%	13%	47%
Reduced alcohol related violence	8%	15%	42%	23%	13%	36%
Reduced alcohol consumption	8%	17%	41%	24%	11%	35%

N = 1010

BENEFIT:
Consistency of products

BENEFIT:
Quality of supply chain and products

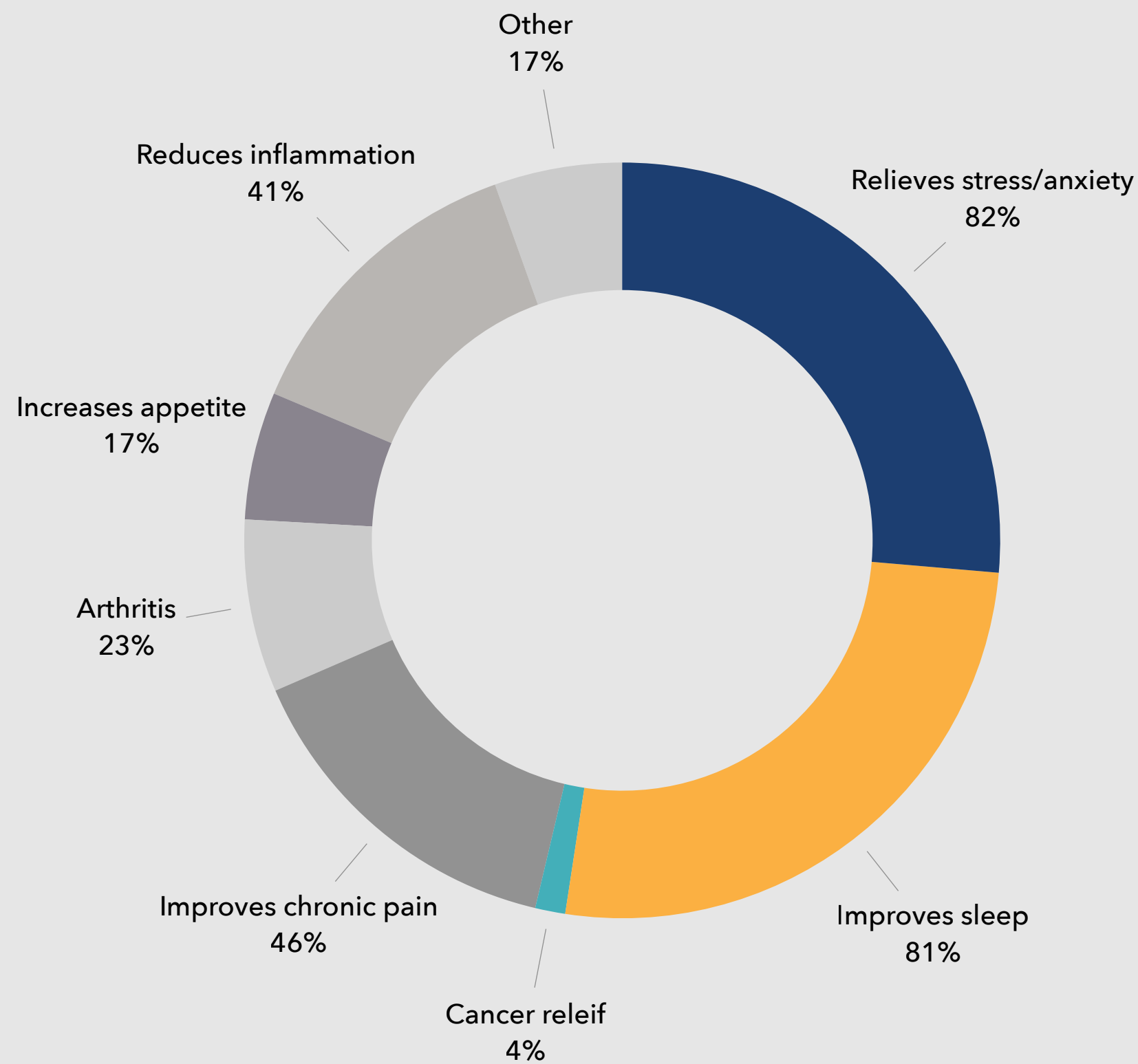
BENEFIT:
Not having to break the law

Medical cannabis conditions and formats

QUESTION:

What was the medical purpose for the cannabis prescription/s you have had? Please select as many reasons as appropriate, then select the main reason at the next prompt.

N = 3237 - Panel = 26 Client = 3211

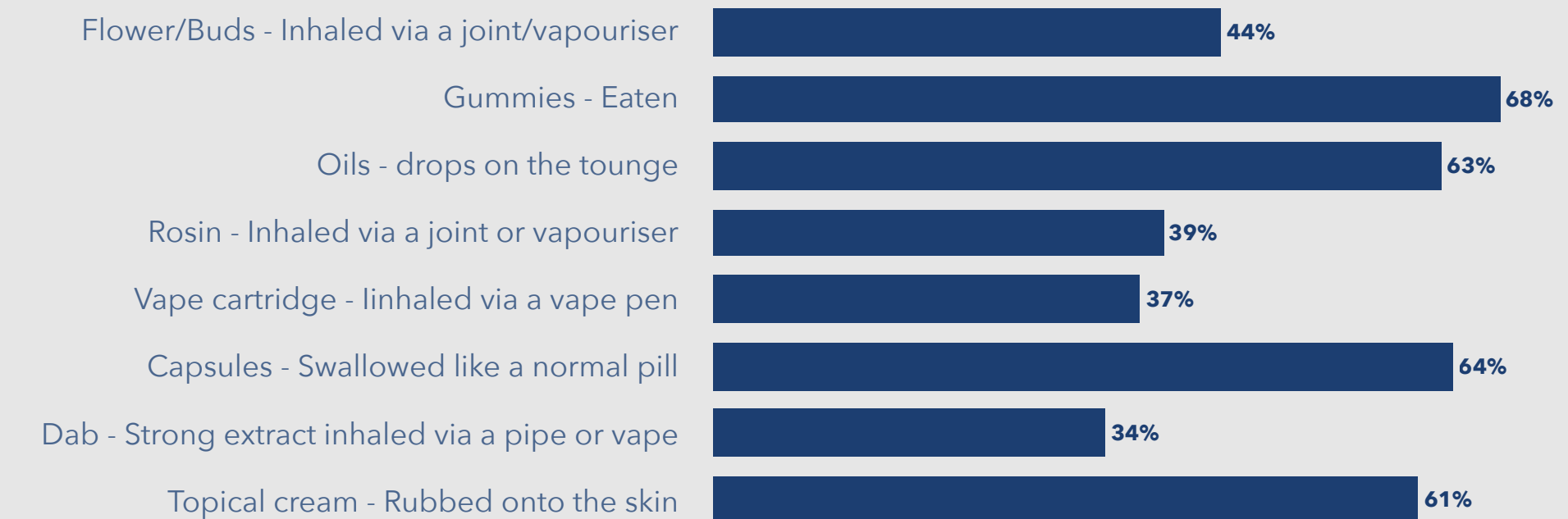


QUESTION:

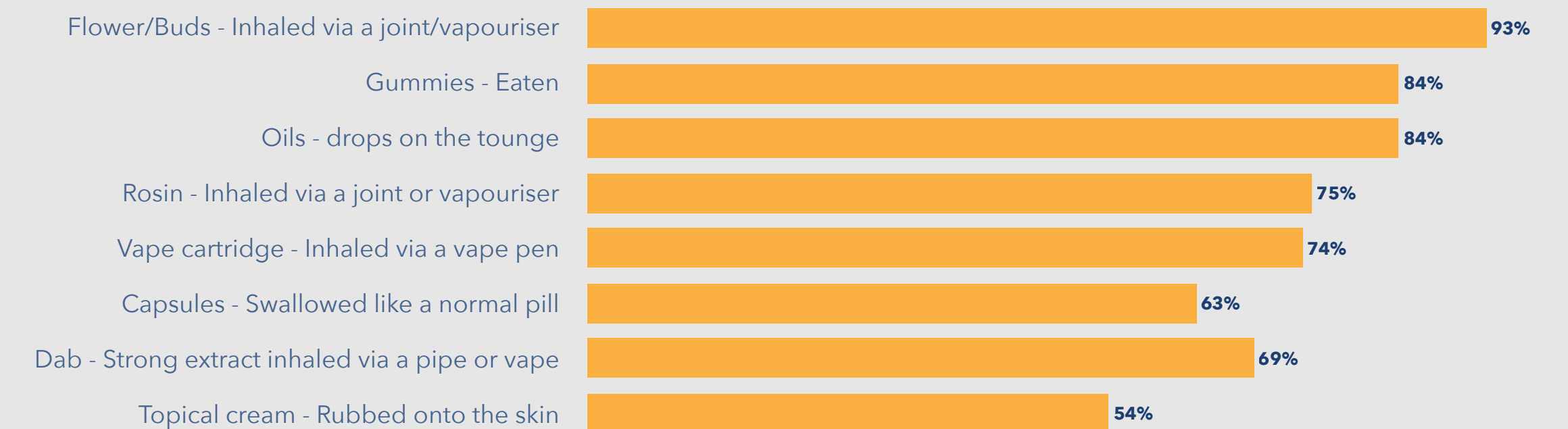
Medical Cannabis comes in many different formats - which ones do you/would you find appealing? Please select how much 'appeal' each format has to you.

N = 4438 - Panel = 1010. Client = 3428

GENERAL POPULATION



PATIENTS



Challenges

Clinic control

Clinics only selling their own brands

Challenges

Cost

Per year

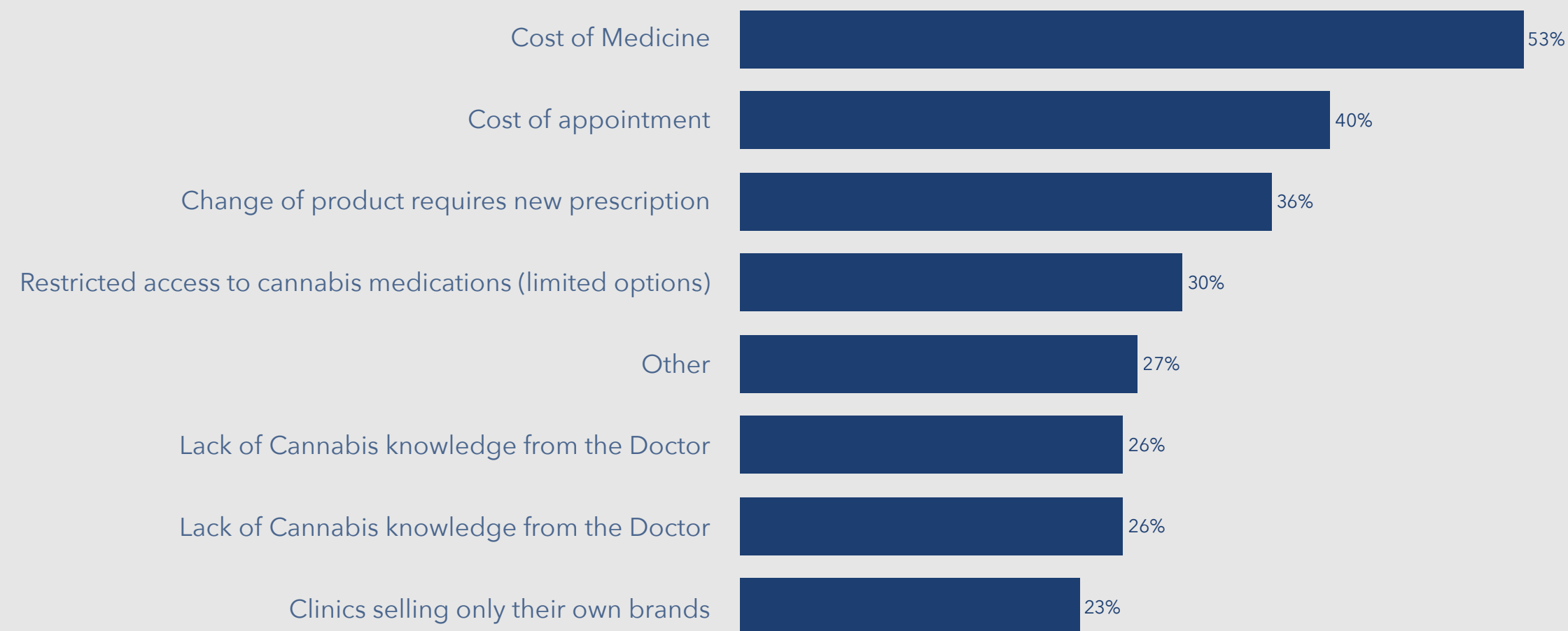
Challenges

Driving laws

Ability to drive if unimpaired

QUESTION:

Please tell us why you were unsatisfied with the CLINIC experience.



QUESTION:

Currently, those people with pharmaceutical prescriptions (opiates, valium, benzodiazepines) are able to drive if they remain unimpaired. Are you in favour of those using medical Cannabis being offered the same rights?

N = 3968 - Panel = 3428 Client = 540

For
(those being prescribed Cannabis should have the same rights)

97%

Against
(those being prescribed Cannabis should NOT have the same rights)

3%

MARKET ANALYSIS

Why does Australia do this to itself?



What are we giving up?

**42 tonnes =
~\$200m**
Revenue for Australia

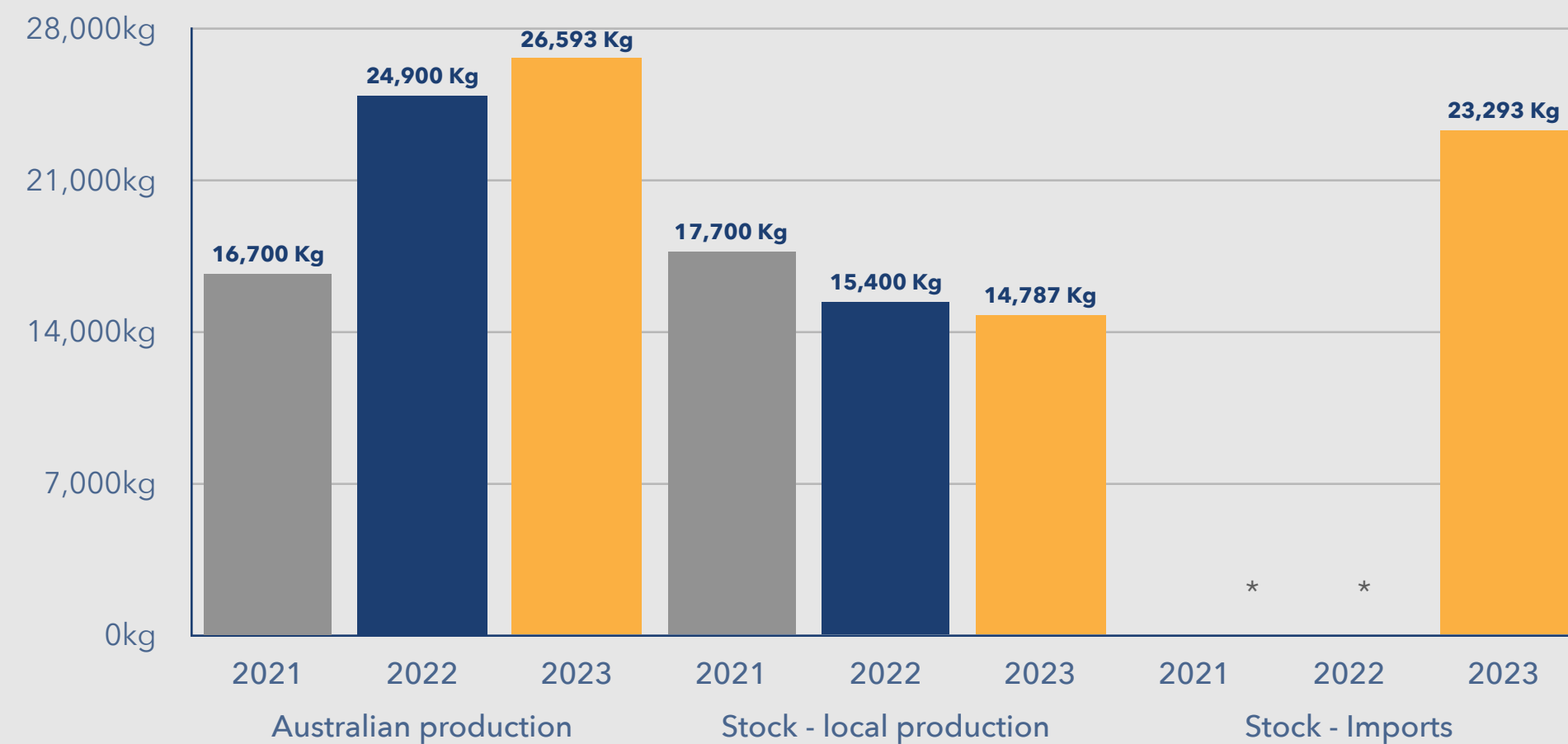
2000 Jobs
In regional areas

\$800m
In infrastructure investment

Medical cannabis trade in Australia

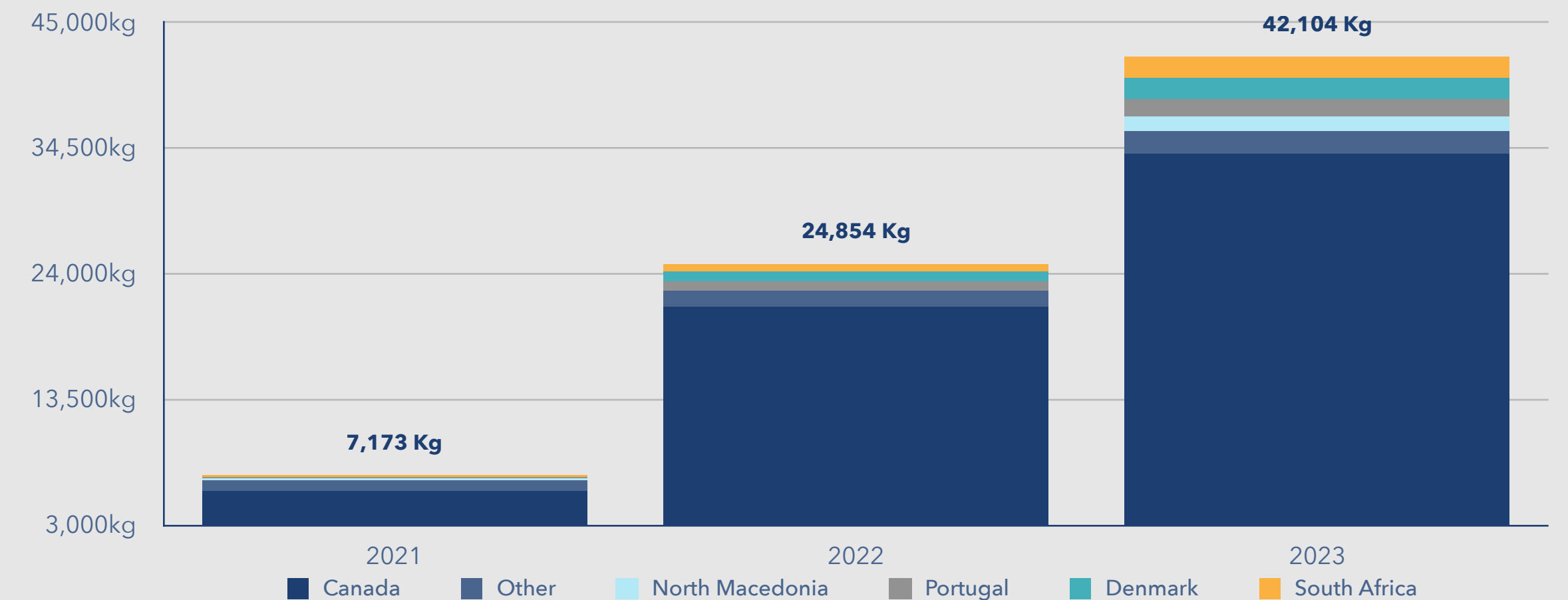
Australian Supply

Supply of cannabis for medical or scientific purposes in Australia
Kg of cannabis flower produced, Kg of cannabis flower held in stock at year end



Import by Source

Imports of cannabis for medical or scientific purposes to Australia
Kg of cannabis flower



Source: Office of Drug Control * No data available

TOP CHALLENGES FOR DOMESTIC CULTIVATORS

Unlimited imports

Can't export to markets that import

Illegal cannabis sales

Over regulation when compared to imports

Clinic control, not patient

Power prices

TOP 5 IMPORTING COUNTRIES TO AUSTRALIA (CANNABIS)



Portugal



Colombia



South Africa



Canada



Thailand

**These countries import to
Australia
but we are not allowed to
export back to them**

COUNTRIES WITH MEDICAL CANNABIS

Countries that allow the medical use of whole-plant cannabis include Argentina, Australia, Canada, Chile, Colombia, Germany, Greece, Israel, Italy, the Netherlands, Peru, Poland, Portugal, Spain, UK, and Uruguay

COUNTRIES WITH ADULT USE/DECRIM

Thailand, USA, Canada, Germany

UNITED KINGDOM (FY25)



UK Market Growing at % YOY

63000 patients

€240m (A\$391m) in sales.

**Forecast over the next four years,
increasing by 124% to approximately
141,000 by 2028.**

**Same regulatory and quality standards
as Australia (GMP)**

GERMANY (FY26)



5% of population

~300k patients

50% under public healthcare

**Approximately 346,000 patients
anticipated by 2028**

Similar quality and regulatory standards

EUROPE (FY26 AND BEYOND)



Poland

France

Czech Republic

All growing markets

Same quality standards as Australia

N S W

What is a potential future model for cannabis in NSW?



NSW HEALTH MANAGEMENT

PRODUCTS

DISTRIBUTION

PATIENTS



Quality Control

Still GMP standards apply to products.
Control types of products allowed.

Cultivation

ONLY licensed Australian cannabis companies can supply clones in NSW with a **license from NSW Health**

NSW Health S8 license

NSW wholesale license conditions

Non PBS Pharmacy or direct

Only non PBS pharmacies can dispense in legal dispensaries
NSW HEALTH - PCU License

Cannabis License

Doctor gives the patient a prescription for a TGA Category and sets period for when they should return i.e 6 months to 1 year. **NSW Health license issued**

Home Grow

Patient can homegrow for X number of plants at one time if they purchase from licensed Australian facility.

STATE TAXES



JOB CREATION

SOLAR POWER



Reduce power bill significantly

Support growers with solar infrastructure

Build solar microgrid to power the site

CLINICAL TRIAL



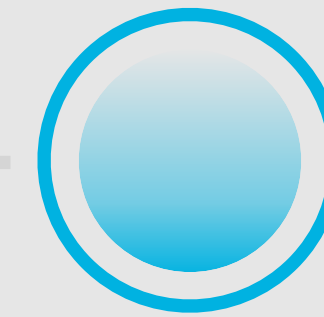
Grant for major clinical trial in NSW

NSW led Phase III clinical trial in NSW

\$8m full budget

Co-fund

DRIVING LAWS



Remove RBT driving laws for unimpaired

Make it the same as other pharmaceutical drugs

REGULATIONS



Streamline regulations in NSW for pharmacies/distribution

NSW Health paper based system vs other states

Ability to change medications with same range/format