



Montu Group Pty Ltd

Crowd-sourced funding offer document.

13 October 2020

**Offer of fully-paid ordinary shares in Montu Group Pty Ltd
at \$0.15 per share to raise a maximum of \$2,000,000**

This crowd-sourced funding (CSF) offer document relates to the Offer of fully-paid ordinary shares in Montu Group Pty Ltd. This Offer is made under the CSF regime in Part 6D.3A of the Corporations Act 2001 (Corporations Act).

Issuer

Montu Group Pty Ltd ACN 634 198 360

Intermediary

Birchal Financial Services Pty Ltd AFSL 502618

The Montu Mission.

Montu Group Pty Ltd (“Montu” or the “Company”) is a fully licensed cannabis company facilitating efficient patient access to life-changing medication.

At Montu, we are committed to improve the lives of millions of people by simplifying the process for doctors and patients to access high quality cannabis medication.

The Montu Vision.

We are creating the future of cannabis today and work relentlessly to become the most trusted and valued leader across Australia and New Zealand.

Our aim is to ensure that cannabis is universally available, well understood and integrated into medical practice.

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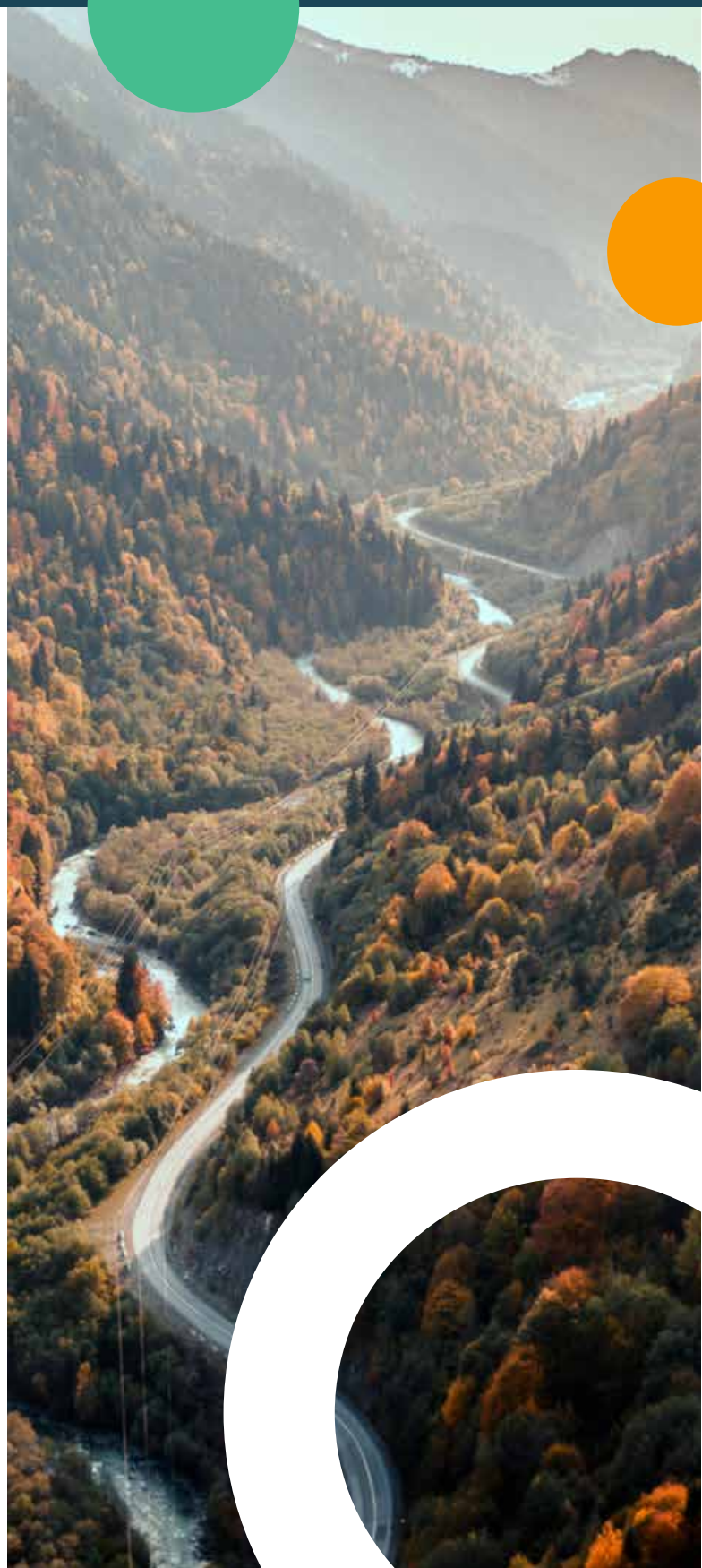
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Section 1

Risk Warning.

Crowd-sourced funding is risky. Issuers using this facility include new or rapidly growing ventures. Investment in these types of ventures is speculative and carries high risks.

You may lose your entire investment, and you should be in a position to bear this risk without undue hardship.

Even if the company is successful, the value of your investment and any return on the investment could be reduced if the company issues more shares.

Your investment is unlikely to be liquid. This means you are unlikely to be able to sell your shares quickly or at all if you need the money or decide that this investment is not right for you.

Even though you have remedies for misleading statements in the offer document or misconduct by the company, you may have difficulty recovering your money.

There are rules for handling your money. However, if your money is handled inappropriately or the person operating the platform on which this offer is published becomes insolvent, you may have difficulty recovering your money.

Ask questions, read all information given carefully, and seek independent financial advice before committing yourself to any investment.



The legalisation of cannabis opens a new chapter in healthcare with access to safer and healthier medication.

Section 2

Information about the Company.



Letter from the founder

Dear Investors,

On behalf of the entire team, I am incredibly excited to share with you the opportunity to become a shareholder in Montu and be part of our success as we grow into a leader for medical cannabis and other innovative cannabinoid-based products.

Since launching operations in January earlier this year, Montu has rapidly grown into a trusted partner for doctor and patients alike, in what is one of the fastest growing markets in the world. Our business has grown on average 40% each month, reaching a \$1million revenue run-rate in September 2020, with a current doctor network that has the capacity to reach over half a million patients across Australia. The company is certainly off to a thrilling launch, and we are only just getting started.

At Montu, we have a world-class team of experienced executives and medical experts, who have successfully built (and exited) previous businesses from the ground-up and led them through hyper-growth, with a clear understanding on what it takes to build the right infrastructure to be well positioned ahead of major market growth. It is rare that all pieces come together like they do in the cannabis industry, and I am confident we have the winning formula to build something truly special.

Everyone at Montu is driven by our mission to improve the lives of millions. We are immensely proud to be

providing patients with life-changing medication, enabling healthier and more active communities throughout Australia and New Zealand. As such, we partner with the world's leading cannabis cultivators and extractors, to offer the highest-grade medical cannabis products to our patients.

The company is well prepared for the transformational years ahead in the medical market, which further provides us with a pole-position to capture new market opportunities as progressive legislation ultimately paves the way to the wellness and recreational market.

This equity crowdfund accelerates our growth strategy and is an important step towards our ambitions to pursue an ASX listing in 2021.

Christopher Strauch,
Managing Director



Company Details

This offer of shares is made by Montu Group Pty Ltd ACN 634 198 360. The Company was incorporated on 18 June 2019.

Company name	Montu Group Pty Ltd
ACN	ACN 634 198 360
Offer Type	Crowd-sourced funding
Offer Date	13 October 2020
Offer Details	Offer of fully-paid ordinary shares in Montu Group Pty Ltd at \$0.15 per share to raise a maximum of \$2million
Registered office and contact details	1 Nicholson Street, Level 18, East Melbourne VIC 3002
Principal place of business	1 Nicholson Street, Level 18, East Melbourne VIC 3002
Related companies	Montu Group NZ Limited

500,000+

Patient reach with
current doctor network

40%

Monthly revenue
growth

\$1 million

Revenue
run-rate

Achievements and Timeline

July 2019

Montu Group Pty Ltd Established
Sourcing agreement secured with leading Canadian cannabis cultivator

September 2019

Australian licenses obtained
3PL agreement signed with a leading pharmaceutical distributor

January 2020

Sales team recruited
First shipment received
First 10 active prescribers
First revenues recorded

May 2020

Expanded sales team for nationwide coverage
Over 100 active prescribers
Established Montu Group NZ Ltd
Launch of Circuit prescribing platform

August 2020

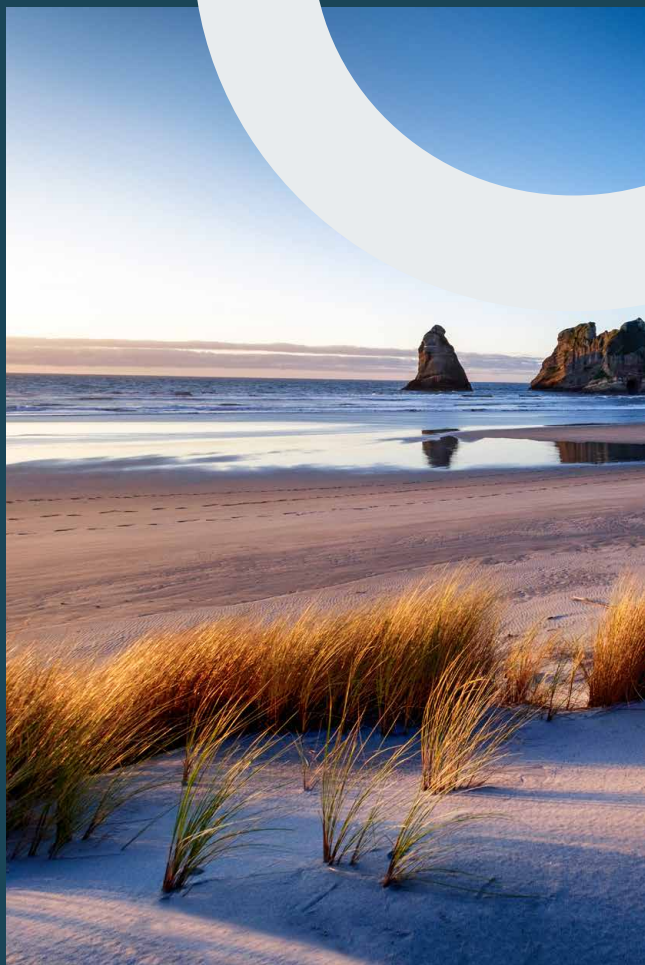
Secures Australia's largest medical cannabis partnership with clinic network Jupiter Health
Sourcing agreement secured with leading Australian cannabis extraction company

September 2020

Over 500,000 patient reach with existing prescriber network
Revenue run-rate reaches \$1million
Launch of crowdfunding campaign
Nationwide media coverage

2019

2020



Market Overview

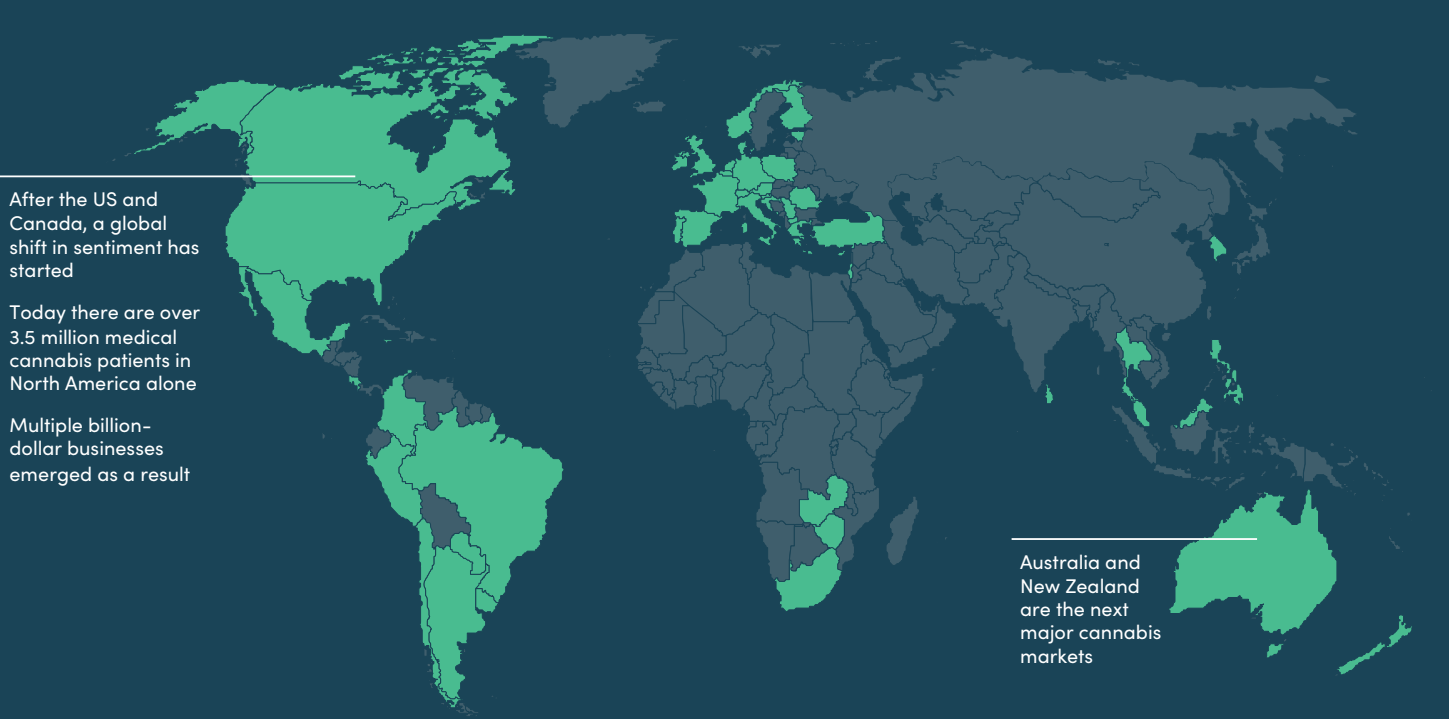
The era of cannabis prohibition is swiftly coming to an end. With the United States and Canada leading the way for cannabis legalization, a global shift in sentiment has started with more than 45 countries legalizing medical cannabis in recent years. The progressive changes in cannabis legislation opens an entirely new chapter in healthcare with access to safer and healthier medication, and ultimately the road to a wellness and recreational market. Today there are over 3.5 million medical cannabis patients in North America alone.¹ After decades of scientific negligence, research is now proving what people already knew thousands of years ago: the therapeutic properties of the cannabis plant. It is estimated that the legal global cannabis market size is expected to reach US\$150 billion over the forthcoming years.²

Medical cannabis has been studied for decades. During this time, much has been discovered about the potentials of the plant for the treatment of many medical conditions, from anxiety and depression, to chronic pain management, to providing support for chemotherapy patients. The cannabis community is also gaining important insights on cannabinoids, terpenes, flavonoids, and essential fatty acids that make up the complex cannabis plant.

While medical cannabis research has advanced over the last several decades, it was prohibition that contributed to an overall lack of clinical research. The loosening of prohibition, and legalisation, is now inviting more cannabis research to contribute to the growing body of knowledge that informs legislation and medical practice. Grandview Research projected that as the industry progresses, chronic pain and mental disorders would be the most commonly treated conditions with medical cannabis.

¹ <https://www.mpp.org/issues/medical-marijuana/state-by-state-medical-marijuana-laws/medical-marijuana-patient-numbers/>

² <https://www.businesswire.com/news/home/20191001005593/en/Global-150-Billion-Cannabis-Market-to-2027---ResearchAndMarkets.com>



After the US and Canada, a global shift in sentiment has started

Today there are over 3.5 million medical cannabis patients in North America alone

Multiple billion-dollar businesses emerged as a result

Australia and New Zealand are the next major cannabis markets

Australia and New Zealand have a number of catalysts ahead which will catapult them into one of the leading cannabis markets in the world, similar to Canada's historic cannabis market evolution, which grew from \$10 million to \$1.3 billion in just 4 years (2014–2018).³ Despite having significantly different populations, Australia and New Zealand are following the same trajectory in their progress for medical cannabis. Both countries have made a dedication to research and the provision of medical cannabis, with the possibility of recreational legalisation on the horizon.

Australia

Australia is at the forefront of this development. Since legalisation in 2016, patient numbers have increased exponentially by more than 500% every year and is expected to reach 70,000 prescriptions by the end of 2020.⁴ To date, the Department of Health has approved medical cannabis for 30+ conditions, including pain, anxiety, and insomnia. Research shows that 2.5 million Australians already use cannabis (illicitly), thereof 600,000 for medical purposes.⁵

Cannabis was legalised for medical purposes at the federal level in 2016, with the Australian Capital Territory (ACT) implementing in January 2020 the legalization of the possession and cultivation of small amounts of cannabis for personal use. The support for the legalisation of adult use, or recreational cannabis is quickly increasing across the country, with 42% of Australians supporting full legalization of the plant. Australia has one of the highest prevalence of cannabis use in the world, with up to 3.9% of Australians reporting consuming cannabis in 2018.⁶

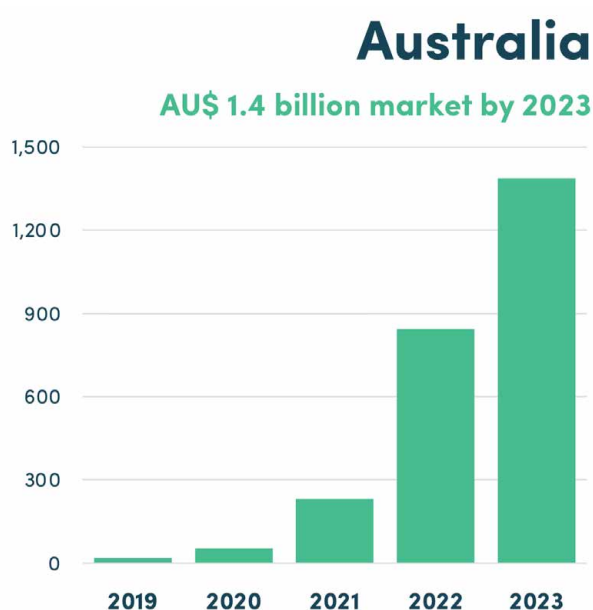
By August 2020, over 61,000 applications for cannabis treatment had been approved by the Therapeutic Goods Administration (TGA) under the Special Access Scheme (SAS) Category B. This programme is a notification pathway that allows a registered medical practitioner to access and prescribe medicinal cannabis.

The Australian government recently announced an AUD \$3 million grant to study the use of medical cannabis for cancer patients. Other initiatives involving clinical trials and preliminary research in Australia study amongst others, the potential of medical cannabis as therapy for Chronic Pain, Multiple Sclerosis, and Tourette's syndrome. The research on medical cannabis in Australia will undoubtedly positively contribute to the growing body of medical cannabis research worldwide."

The research on medical cannabis in Australia will undoubtedly positively contribute to the growing body of medical cannabis research worldwide.

There is currently an amendment being proposed that would allow low-dose cannabidiol (CBD) products available for purchase over the counter. The proposed amendment includes downgrading CBD from Schedule 4 to Schedule 3 against the Poison Standards which would allow Australians to access products without a doctor's prescription over the counter at pharmacies.

Prohibition Partners has valued the current Australian cannabis market at \$54 million for 2020 and projected the industry to grow 2,450% by 2023, to be worth \$1.4 billion.⁷



³ <https://www.statista.com/statistics/587568/estimated-medical-marijuana-market-size-canada/>

⁴ Department of Health, Submission to the Senate Community Affairs References Committee, January 2020

⁵ Australian Institute of Health and Welfare (AIHW), National Drug Strategy Household Survey 2019

⁶ Australian Institute of Health and Welfare (AIHW), National Drug Strategy Household Survey 2019

⁷ Prohibition Partners, The Oceania Cannabis Report Second Edition

New Zealand



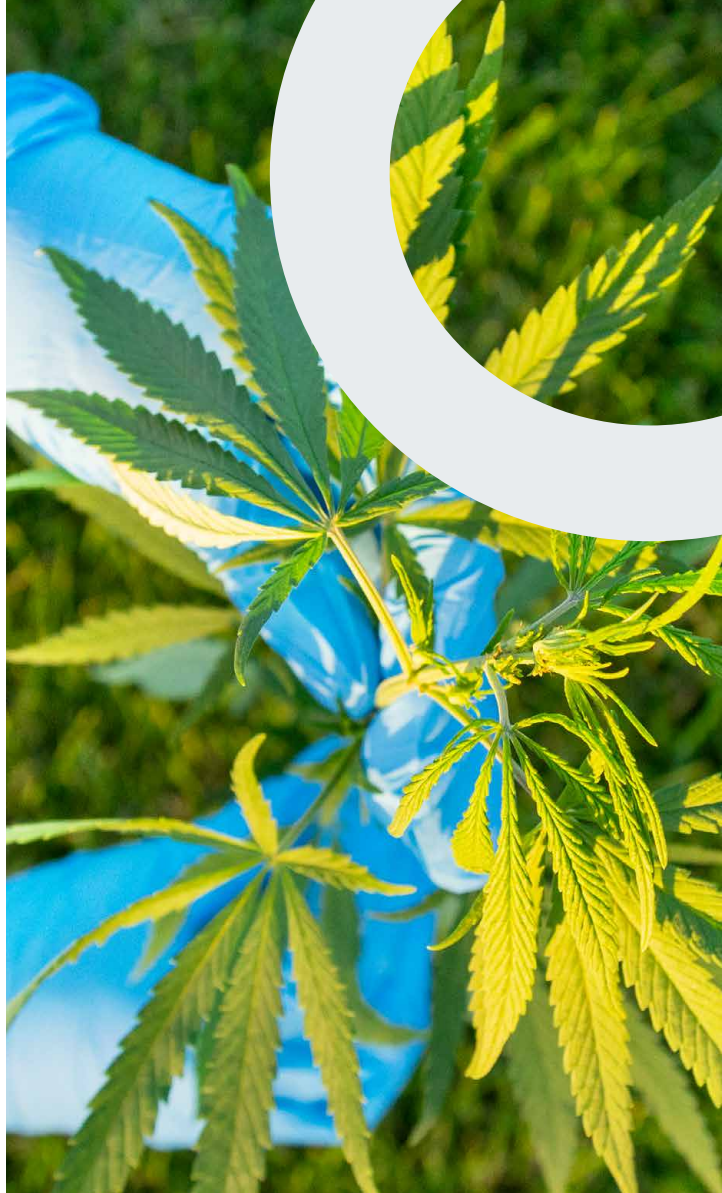
Similarly, New Zealand experiences a fast-changing legislative landscape, which might see the market grow rapidly. The implementation of the Medicinal Cannabis Scheme in April 2020 could be a key driver for the medical market and the upcoming referendum in 2020, could legalise the recreational use of cannabis, making New Zealand one of the first countries outside of North America.

The NZ Medical Cannabis Council was founded in 2018 to promote access to medical cannabis. In 2018, the Misuse of Drugs (Medicinal Cannabis) Amendment Act 2018 came into effect, with relaxed regulations on domestic production and the writing of medical cannabis prescriptions. On October 17, 2020, citizens will go to a referendum to decide whether to legalise recreational cannabis, which will then have to go to final vote in a Bill passed by the New Zealand Government. Commentaries show that public support for the legalisation of cannabis is about half of the population.⁸

By the end of 2019, the New Zealand Ministry of Health had granted research licenses to a total of 20 New Zealand organisations to contribute to research that are likely to move the country's legalisation and cannabis programmes forward.

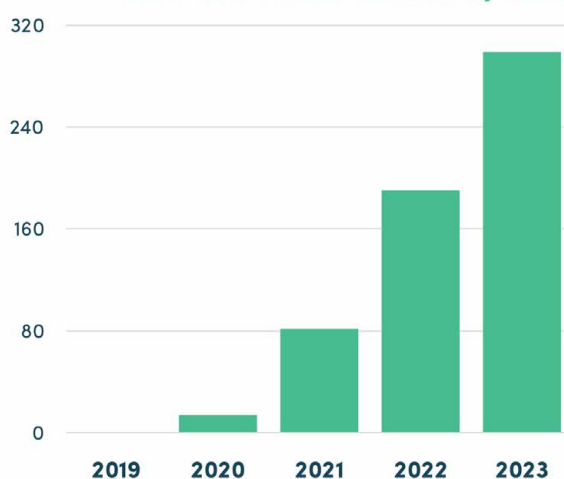
In September 2020, research released by Wellington-based Business and Economic Research (BERL Economics) estimated that 74,000 kilograms of cannabis is consumed annually in New Zealand's illicit market, with a retail value of up to 1.5 billion New Zealand dollars. The report also estimated that 67% of the total current consumption would be given to legal retail stores if cannabis is legalised, demonstrating economic potential.⁹

The medical cannabis market in New Zealand is expected to grow to \$300million by 2023.¹⁰ If 1% of the New Zealand population used medical cannabis, the market could be worth \$379 million each year.¹¹



New Zealand

AU\$ 300 million market by 2023



⁸ <https://www.stuff.co.nz/national/politics/122990847/cannabis-reform-would-pass-if-referendum-held-today-poll>

⁹ <https://mjbizdaily.com/new-zealand-cannabis-market-estimated-at-nz1-5-billion-74000-kilograms/>

¹⁰ Prohibition Partners, The Oceania Cannabis Report Second Edition

¹¹ Report put out by The AgriBusiness Group

Description of the Business

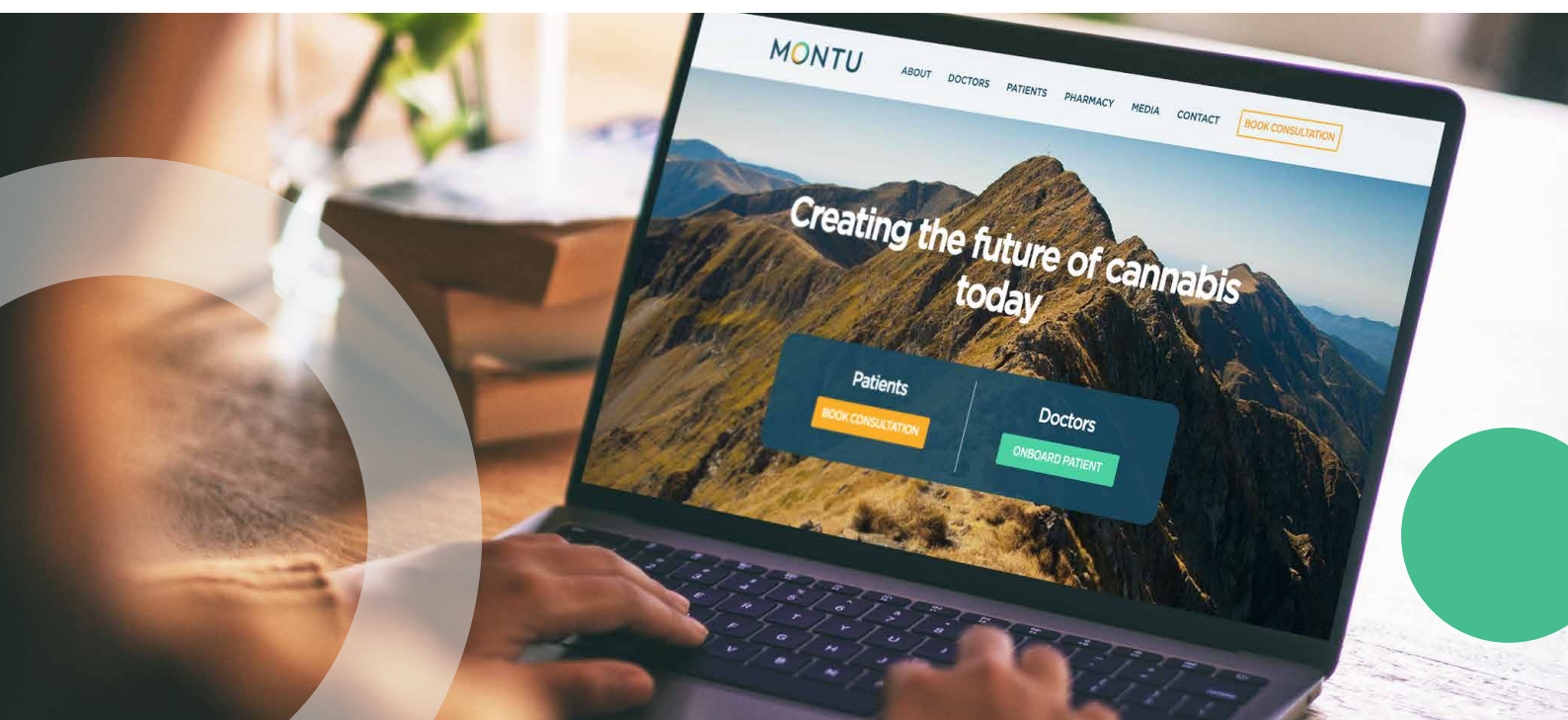
About the Company

Montu provides patients with reliable access to life-changing cannabis medication. The company develops innovative cannabinoid-based products and makes them available to patients through a growing nationwide network of doctors. Montu has entered into a number of strategic partnerships with leading cannabis cultivators and extraction companies across the world to provide the highest quality of medical-grade cannabis and cannabis-based medicines through its Circle brand. The company holds all required licenses for the supply of medical cannabis medication across Australia and is well positioned to become a leading and trusted brand. Since launching its products into market in January 2020, Montu has built a strong infrastructure through its doctor network to serve 500,000 patients across Australia, and has grown revenues at 40% month-over-month. Montu has a seasoned management team that has led several companies through accelerated growth transforming them from early stage to large-scale organisations. The team is committed to capitalize on the growth opportunities in the cannabis industry and to improve the lives of millions of people.

Products & Services

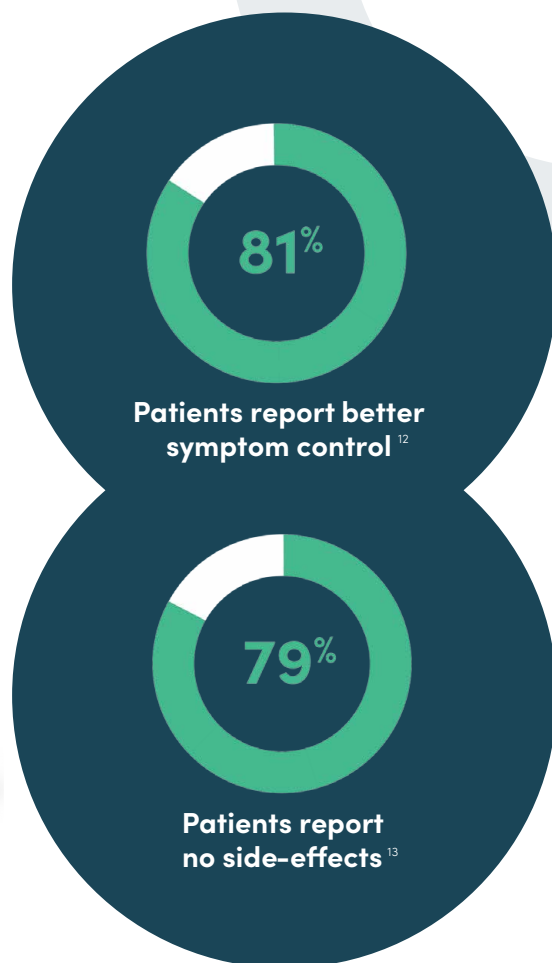
Montu develops innovative cannabis medications under its Circle brand and makes them accessible to patients through a nationwide network of doctors. We are collaborating with leading cannabis cultivators and extraction companies across the world to provide research-driven medical-grade products to our patients.

Our high-quality and affordable Circle range has been tailored to the Australian market and is currently focused on oils, which can be offered at lower cost and are easy to titrate to the optimal dose for first time users. Each full-spectrum product has been derived from a single strain, which means we have full visibility of the cannabinoid and terpene profile. Our partner Aleafia Health, who owns Canada's leading cannabis clinic network, has optimized its cultivation based on over 10 million real-world data points from its Canadian patient base, which ensured that our products were proven and tested for efficacy, before entering the Australian market. As a result, we have seen exceptional results across our patient base in Australia, with a recent survey showing 81% of patients reporting improved symptom control and 79% report no side-effects.



In line with our commitment to improve the lives of millions of patients, we have quickly become a trusted partner to doctors and patients alike and have built critical infrastructure to support our mission. Our nationwide team provides doctors with industry-leading education, to create confident medical cannabis prescribers. We offer one-on-one education sessions and have frequent roundtables where we invite existing prescribers from our network to share their patient experience with other doctors. Doctors prescribe through Circuit, our cutting-edge prescribing platform, which streamlines patient onboarding and government approval processes, and provides patient monitoring and script review features. Our Circle medication is sent via next day delivery to our nationwide pharmacy network or directly to patients via home delivery.

An overall seamless experience for doctors and practical ongoing support, allowed us to be faster and more efficient in building and scaling a nationwide network of doctors, actively advocating for and prescribing our Circle range. In light of COVID-19, our doctors offer convenient telehealth solutions, which means we can reach patients nationwide, including the most remote areas of Australia.



^{12, 13} Montu Patient Survey 2020

“I have slowly stopped taking antidepressants and my anxiety has completely stopped. It’s been an eye opening and extremely rewarding experience.”

Josephine C.¹⁴



Licenses

Montu holds a number of licenses and permits directly and indirectly through its partners which allow for the importation and supply of medical cannabis in Australia.

The medical cannabis industry is heavily regulated in Australia, both at a federal level, and the state and territory level. Regulation applies to the importation, storage, manufacture, supply and export of medical cannabis products. The Australian Department of Health regulates medical cannabis products through the Office of Drug Control (ODC), which regulates controlled substances (including cannabis) to prevent diversion and illicit use. The ODC is responsible for granting licenses and permits for the cultivation and production, manufacture and importation of cannabis and cannabis products for medical and scientific purposes. Additionally, the Therapeutic Goods Administration (TGA) regulates the manufacture, registration and supply of medical cannabis and is responsible for assessing the quality, safety and efficacy of medicines before entry on the Australian Register of Therapeutic Goods (ARTG).

In Australia, Medicines are classified into Schedules, which control how they are made available to the public. Medical cannabis products fall into Schedule 4 (Prescription Only Medicine) and Schedule 8 licenses to sell or supply (Controlled Drug). Montu holds both, Schedule 4 and Schedule 8 to sell or supply medical cannabis by wholesale.

In line with our asset-light approach, our logistic partner Anspec, a national expert wholesaler of pharmaceuticals, and prime vendor to the Australian Defence Forces, is managing import, storage and distribution of goods on our behalf. Import licenses are issued by the ODC, with a permit required prior to each importation. Various requirements exist for a license to be granted, including storage and security of products, and record-keeping.

In light of our expansion into New Zealand, we are currently preparing the medical cannabis license process, which is planned to be completed by end of 2020.

¹⁴ Individual has provided consent to inclusion of this statement. The name has been changed.

Key Partners

Montu has established a number of key relationships that will assist in the execution of its business model:



Aleafia Health is a leading, vertically integrated cannabis health and wellness company, and operates major cannabis product & cultivation facilities, and is listed on the TSX in Canada. Aleafia also manages the largest national network of medical cannabis clinics and education centres in Canada. Innovation, the heart of Aleafia Health's competitive advantage, has led to the company maintaining a medical cannabis dataset with over 10 million data points to inform proprietary illness-specific product development.

Montu entered a supply partnership with Aleafia in 2019 and received its first import shipment to Australia in January 2020. Aleafia has been selected for its rigorous data-driven approach in identifying strains and formulations that work, with a focus on high premium input ingredients and reliable quality results.



MediPharm Labs is a global leader in scaled, research-driven cannabis extraction, distillation, purification and cannabinoid isolation, and is listed on the TSX in Canada. The company's Australian subsidiary, MediPharm Labs Australia, began in January 2017 following changes to Australia's federal legislation allowing companies to produce medicinal cannabis products in Australia.

Montu has entered into a 2-year supply agreement with MediPharm Labs Australia pursuant to which MediPharm Labs Australia is supplying cannabis goods to Montu according to its requirements and on the terms outlined therein. The partnership with MediPharm Labs Australia provides a reliable local Australian supply partner, which is complementing our existing range and further diversifies our global sourcing network.



Jupiter Health & Medical Services is Western Australia's leading clinic group, consisting of over 30 medical practices in urban and rural areas across WA. Founded in 2011 by Dr Gendy & Dr Soloman, Jupiter Health has successfully established itself and expanded over the years becoming one of the largest networks of GPs in WA with over 300 doctors. Jupiter Health's vision is to provide quality care to patients that is convenient, accessible and affordable for everyone.

In the largest deal of its kind in Australia, Montu entered a partnership with Jupiter Health to educate and guide their 300 doctors on how to prescribe medical cannabis to their network of patients. The deal has a significant impact on the accessibility of medical cannabis treatments in Western Australia.



Anspec is a specialised wholesaler of Health Care products and equipment including all schedules of pharmaceuticals for both export and Australian domestic markets. For 25 years, Anspec has been a major supplier of medical and pharmaceutical products to the Pacific region and has maintained long close relations with Government and Private Health Care Centers, and Retail Pharmacy clients.

Anspec manages the importation, storage and distribution of Circle medical cannabis products on behalf of Montu. The agreement allows Montu to deliver its products nationwide via next day delivery to registered pharmacies across Australia. Anspec has been selected for its deep-rooted expertise in compliance within highly-regulated markets, due to its background as a supplier for the Australian Defense Force.

Business and Revenue Model

The legalization of medical cannabis has opened an entire value chain from the planting of seeds to the dispensing of products to patients. At Montu, we are focused on the final and most valuable part of the supply chain: “sales, distribution and marketing”, in combination with brand ownership of our Circle medical cannabis range.

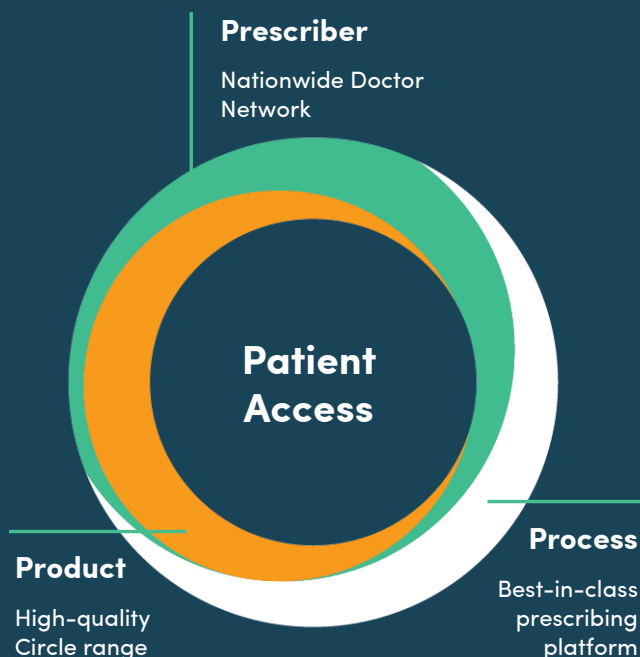
Our main revenue stream is derived from the sale of our Circle products to patients across Australia through a growing network of doctors. A typical patient consumes \$150–300 worth of medication per month and returns regularly due to the chronic conditions medical cannabis is prescribed for, while a single doctor sees more than 500 patients per month. We therefore believe that sustainable long-term value will be generated by creating a loyal and reliable doctor distribution network in combination with strong brand equity. It further allows us to stay close to the changing market environment and enables the collection of data and insights, which will inform future development of products, formats and services, to better service our markets.

From day one, we have decided to pursue an asset-light model, which focusses all resources on serving doctors, patients and pharmacists in the best way possible, while outsourcing all other aspects of the business, such as cultivation and logistics to reliable and leading partners in their respective fields.

This overall approach has allowed us to become a trusted partner to healthcare professionals and patients alike, while building a growing network of active prescribers who advocate for the quality of our Circle products. With patient outcomes at the center of our efforts, we are actively supporting doctors with industry-leading education, highest-quality products and a best-in-class prescribing platform, to ensure a seamless experience. We are determined to find more efficient and effective ways to increase our impact on patients and leverage technology to reduce friction for all stakeholders along the prescribing process through our Circuit platform.

Our extraordinary focus on patient outcomes has allowed us to be faster and more efficient in building a nationwide network of prescribers and subsequently reaching more patients, leading to recurring and sustainable revenues for the company.

We are seeing exponential growth in sales of our Circle products, due to our relentless focus on prescribers, products and processes



Business Strategy

To date, less than 5% of Australian doctors prescribe cannabis and as such 95% of the market is still ahead of us. A single doctor typically sees more than 500 patients each month and therefore a strong relationship with the medical community will allow us to acquire new patients without the requirement for ongoing marketing acquisition costs.

The support infrastructure we provide to doctors will be a key differentiator in the future. Proactive and practical support to our doctor network, as well as the reliable availability of innovative products will create trusted and loyal relationships.

We are further looking to leverage technology to reduce friction and add features for doctors, which integrates with their existing prescriber software, and enables the monitoring and collection of data to inform future products and market requirements, as well as the efficacy of specific formulations on a condition level (real-world evidence).

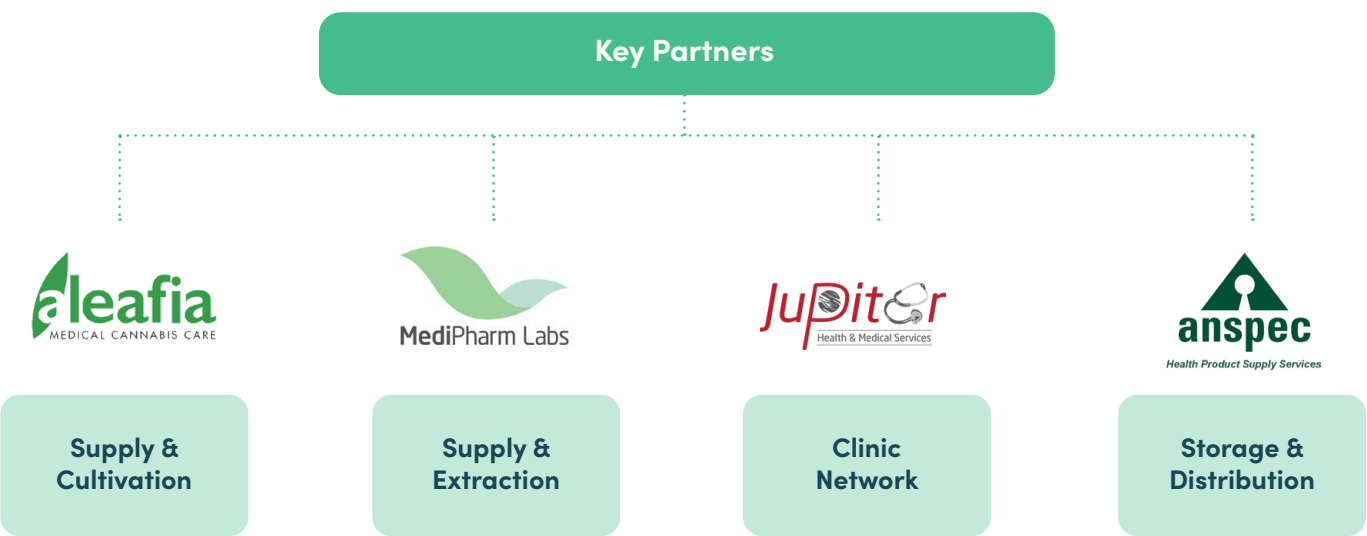
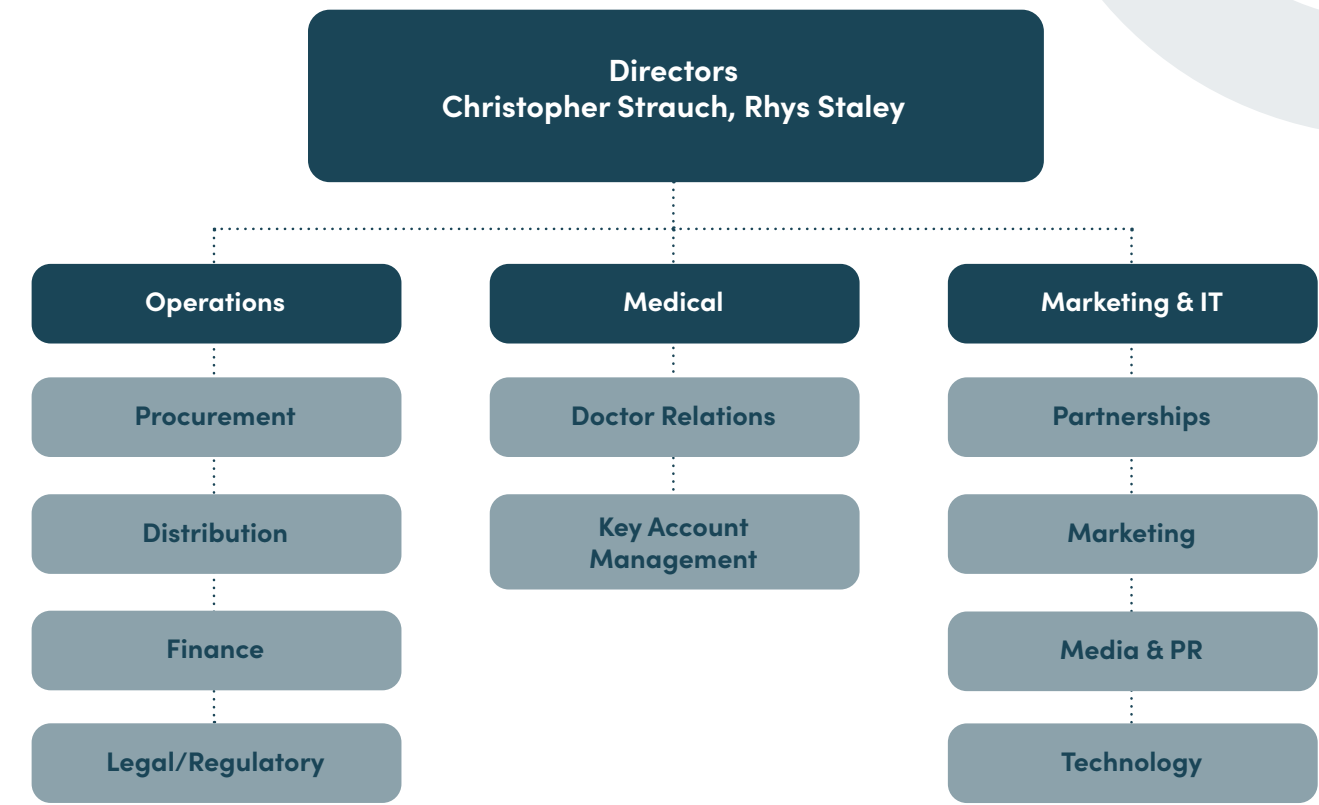
In light of our growing network of doctors, we will increasingly focus on connecting patients whose regular doctors might not yet feel comfortable to prescribe, to our specialist network, solidifying our relationship with the medical community and providing broader access to more patients in Australia.

We are planning to expand our existing model into the New Zealand market, where we have already incorporated an entity and preparing the application of the required licenses to supply medical cannabis to the local market.

We further have ambitions to pursue an ASX listing by 2021 to facilitate capital access for our ongoing growth plans. However there are a range of factors that may affect our ability to achieve this timeline, or indeed achieve a listing at all.



Organisational Structure



Capital Structure

The Group's activities have been historically funded through equity investments and no-interest loans from its founders, via its holding vehicle MG Invest Limited. As of the date of this CSF offer document, MG Invest Limited has invested \$640,687 into Montu Pty Ltd. The company has an outstanding loan to MG Invest Limited of \$440,687. The company has no other loan obligations.

There is no shareholders agreement between the existing shareholders and as such, the rights and liabilities associated with the shares are as set out in the Company's constitution. Under the constitution, the Company has the discretion to approve a transfer of shares to a third party. A more detailed description of the rights associated with the shares is set out in Section 3.

The company maintains a single class of shares. These are fully paid ordinary shares. No other form of shares containing additional rights beyond those contained in the fully paid ordinary shares have been issued. The company has 5,000,000 options available for issuance. The current issuance price is \$0.01 converted into equity shares at the current share price. The company may choose to increase the issuance price in the future.

Breakdown of Issued Capital pre-offering

Shareholder	Class of Shares	Shares	Options
MG Invest Limited (Founders Holding)	Ordinary	95,000,000	
Rhys Staley	Ordinary		2,000,000
Unissued Options	Ordinary		3,000,000
Total	Ordinary	95,000,000	5,000,000

Issued Capital pre- and post-offering

Shares	Minimum number of shares issued	Maximum number of shares issued
Existing Shares incl Options	100,000,000	100,000,000
Offer Shares	2,000,000	13,333,333
Total Shares and Options	102,000,000	113,333,333

Management and Directors

Montu has a strong leadership team that is experienced in building and scaling international businesses in high-growth environments. We understand what it takes to build the right infrastructure to be well positioned ahead of major market growth. We have successfully built and exited several businesses from the ground-up and led them through hyper-growth.



Christopher Strauch

Managing Director

Chris has a background in building and investing in high-growth sectors and companies. He is a seasoned executive with over a decade of experience in company building, venture capital and investment banking. Chris led several portfolio companies through accelerated growth transforming them from early stage to large-scale organisations. Previous positions included CEO of RMIT Online, the online learning arm of RMIT University, Venture Partner at Nova Founders Capital, a global fintech investment holding, and Managing Director of Zalora, Southeast Asia's largest fashion ecommerce company. In his prior career Chris was an investment banker at Morgan Stanley in London, where he was part of several billion dollar cross-border M&A transactions in the global consumer space.



Rhys Staley

Director - General Manager

Rhys has extensive commercial experience as founder and board member. He was previously Business Unit Director of HealthShare, where he led the growth of high performing team within the digital health tech market. As part of the executive leadership team, he was focused on innovative market entry strategies, and sustained revenue growth. Rhys has a background in the pharmaceutical industry with Mundipharma, a global leader in pain medication, where he successfully launched new products to market and built relations with medical key opinion leaders. Rhys also has experience in medical research.

Team Background



Advisors

We are supported by a number of experienced advisors, who act as a sounding board to help us define the most effective strategy for the business.



Martin Bean

Martin is the Vice-Chancellor and President of the Royal Melbourne Institute of Technology (RMIT), as the first non-academic to hold this position. He was previously Vice-Chancellor of the Open University, the largest university in the UK and prior held the position of General Manager at Microsoft, where he was responsible for product management, marketing and business development in the Worldwide Education Products Group. Martin is on the Board of Trustees of the British Council, the Board of the Commonwealth of Learning and the British Museum's Digital Advisory Group.



Raphael Strauch

Raphael is Managing Partner at Nova Founders Capital, a globally active investment firm. He has extensive experience in building and scaling companies as founder and investor. Before founding Nova Founders Capital, Raphael worked as a Group Managing Director and Partner at Rocket Internet and as Managing Director at Groupon in Asia. Prior to this, Raphael was in Investment Banking at Goldman Sachs and Lazard in London and Frankfurt where he was involved in major European IPOs and equity transactions. Raphael holds a Master in Business Administration from Vienna University of Economics and Business.



Caio Kammerer De Camillo

Caio is Managing Director at Bank of America Merrill Lynch, where he is heading the financial institutions fixed income and credit desk. He has over a decade of experience in the equities and financial markets across Europe and Latin America.

Business Risk

An investment in the Company should be seen as high-risk and speculative. A description of the main risks that may impact the Company's business is below. Investors should read this section carefully before deciding to apply for shares under the Offer. There are also other, more general risks associated with Montu Group Pty Ltd (for example, risks relating to general economic conditions or the inability to quickly or easily sell your shares).

Risk	Description
Cash flow	The Company's operating activities involve a series of cash inflows and outflows. Although the Company seeks to manage its cash flow efficiently, there is a risk that the Company may not have sufficient cash or working capital, at times, to fund both its operations and its expansion plans. This could affect the Company's profitability, future prospects, and its ability to meet its business objectives.
Competition	The Cannabis industry is subject to domestic and international competition and while the Company exercises all reasonable due diligence in its business decisions and operations, it will have no influence or control over the activities or actions of its competitors, which may, positively or negatively, affect the operating and financial performance of the Group.
Funding	The Company considers that the funds to be raised under the Offer are sufficient to meet the Company's current business objectives. However, additional funding will be required if the Group's expected costs to meet its current objectives exceed its expectations. If additional funding is required, the Company will look to raise additional funds through equity financing, debt financing or a combination of both. Failure to obtain sufficient funding may result in delay and possible indefinite postponement of the Company's activities or expansion plans. There can be no assurance that additional financing will be available when needed, on terms appropriate to the Company or that do not involve substantial dilution to Shareholders.
Intellectual property	The Company has taken measures to protect its intellectual property. However, there is a risk that the intellectual property protection measures in place are inadequate or ineffective, which could have an adverse impact on the Company's ability to compete, control the representation of its brand, and pursue its business objectives.
Supply Chain	Disruption to the Company's supply chain could affect the Company's ability to source inventory at commercially acceptable cost, and in a timely manner, which would have a direct impact on the Company's revenue and profitability.

Risk	Description
Key Personnel	The success of the Company depends to a significant degree on its key personnel and its ability to retain experienced and high performing personnel. The loss of key management personnel, and any delay in their replacement, may adversely affect the Company's ability to develop and implement its business and growth strategies or increase the costs of obtaining suitable personnel. There is also a risk that the Company cannot attract, retain or develop the relevant skilled individuals it requires to successfully execute its business plan.
General industry	There is a risk that incidents beyond the control of the Company and Group could occur, which would have the effect of reducing patient, medical or regulatory confidence in the Company or preferences for Medicinal Cannabis products generally. This reputational risk could result from incidents involving the Company, business partners or other non-related industry participants. The Company's business is exposed to changes in general global economic conditions which may affect its financial performance and operating performance and the price of the Shares.
Regulatory and Legal	Political, taxation, economic, legislative or regulatory change in Australia or in other countries where the Company operates may have an adverse effect on the company's operations. This could include any changes to cannabis regulations, international narcotics treaties or import and export regulations.
Currency	The Company acquires medical cannabis in various currencies its supplier trades. These may include but not be limited to American, Canadian, European, New Zealand and South American currencies. The Company does not maintain a formal foreign currency hedging policy. Adverse movements between the Australian Dollar and other foreign currencies may cause the Company to incur foreign currency losses. Such losses may negatively affect the margins and profitability of the Company.

Financial Information

Below are the financial statements of the Company for the financial year ended 30 June 2020, which have been prepared in accordance with the Accounting Standards. Financial information for the month ended 30 September 2020 have also been included, based on management accounts, and accordingly may be subject to change.

Profit and Loss Statement

<i>in AUD</i>	30 Jun 2020 (12 months)	30 Sep 2020 (3 months)	30 Sep 2020 (1 month)
Income			
Sales Revenue	103,389.00	193,795.00	81,806.00
Cost of Sales	41,286.00	76,573.00	33,338.00
Gross Profit	62,103.00	117,222.00	48,468.00
Other Income	50,000.00	37,500.00	12,500.00
Operating Expenses			
Distribution Expenses	25,813.21	19,019.67	6,516.23
Marketing Expenses	5,148.11	19,513.20	8,181.81
Employee and Consulting Expenses	495,088.42	144,769.65	38,157.68
Office Rent	39,729.44	9,828.00	2,835.00
Legal & License Expenses	8,903.86	796.90	0.00
Recruiting Expenses	16,425.00	0.00	0.00
Other Expenses	39,923.01	18,132.21	7,482.61
Equity Funding-related Expenses	0.00	19,003.74	13,676.48
Total Operating Expenses	631,031.05	231,063.37	76,849.81
Net Profit	(518,928.05)	(76,341.37)	(15,881.81)
Income Ratios			
Gross Margin	60.1%	60.5%	59.2%
Distribution Expenses (% of Sales)	25.0%	9.8%	8.0%
Marketing Expenses (% of Sales)	5.0%	10.1%	10.0%
Net Profit / (Loss) Margin	(338.3%)	(33.0%)	(16.8%)

Balance Sheet

in AUD	30 Jun 2020	30 Sep 2020
Assets		
Bank		
Business Bank Account	137,573.30	231,295.54
Total Bank	137,573.30	231,295.54
Current Assets		
Accounts Receivable	7,638.00	(7,979.78)
Prepayments & Deposits	4,026.00	4,026.00
Total Current Assets	11,664.00	(3,953.78)
Fixed Assets		
Office Equipment	9,739.01	9,739.01
Office Equipment – Accumulated Depreciation	(9,739.01)	(9,739.01)
Total Fixed Assets	0.00	0.00
Total Assets	149,237.30	227,341.76
Liabilities		
Current Liabilities		
Accounts Payable	70,556.47	136,709.88
GST	(1,669.20)	(8,215.53)
PAYG Withholdings Payable	0.00	20,353.00
Superannuation Payable	10,449.99	9,806.89
Wages Payable	0.00	25,128.85
Total Current Liabilities	79,336.77	183,782.60
Non-current Liabilities		
Intercompany Loan	440,687.58	440,687.58
Loan from (to) Montu Group NZ	(1,749.00)	(1,749.00)
Total Non-current Liabilities	438,938.58	438,938.58
Total Liabilities	518,275.35	622,721.18
Net Assets	(369,038.05)	(395,379.42)
Equity		
Current Year Earnings	(518,928.05)	(76,341.37)
Retained Earnings	(110.00)	(519,038.05)
Share Capital	150,000.00	200,000.00
Total Equity	(369,038.05)	(395,379.42)

Cash Flow Statement

<i>in AUD</i>	30 Jun 2020 (12 months)	30 Sep 2020 (3 months)	30 Sep 2020 (1 month)
Operating Activities			
Receipts from customers	104,557.00	196,025.00	82,523.50
Payments to suppliers and employees	(657,570.46)	(294,064.56)	(68,126.09)
Depreciation	9,739.01	0.00	0.00
Cash receipts from other operating activities	39,336.23	57,018.86	13,954.85
Changes in receivables	(11,664.00)	15,617.78	(13,664.22)
Changes in payables	72,226.95	69,125.16	8,473.90
Net Cash Flows from Operating Activities	(443,375.27)	43,722.24	23,161.94
Investing Activities			
Payment for property, plant and equipment	(9,739.01)	0.00	0.00
Net Cash Flows from Investing Activities	(9,739.01)	0.00	0.00
Financing Activities			
Proceeds from borrowings	440,687.58	0.00	0.00
Proceeds from issues of shares	150,000.00	50,000.00	50,000.00
Net Cash Flows from Financing Activities	590,687.58	50,000.00	50,000.00
Net Cash Flows	137,573.30	93,722.24	73,161.94
Cash and cash equivalents at beginning of period	0.00	137,573.30	158,133.60
Cash and cash equivalents at end of period	137,573.30	231,295.54	231,295.54
Net change in cash for period	137,573.30	93,722.24	73,161.94

Statement of changes in equity

<i>in AUD</i>	30 Jun 2020 (12 months)	30 Sep 2020 (3 months)	30 Sep 2020 (1 month)
Equity			
Total Equity at the beginning of the period	(110.00)	(369,038.05)	(429,497.61)
Current Earnings (Loss) for the period	(518,928.05)	(76,341.37)	(15,881.81)
Share Capital	150,000.00	50,000.00	50,000.00
Total Equity at the end of the period	(369,038.05)	(395,379.42)	(395,379.42)



**At Montu, we are
led by our commitment
to improve the lives of
millions of patients.**

Management comments on historical performance and outlook

The company's historical performance has been in line with management expectations. Initial start-up costs during the first six months of fiscal year 2019/20 have been anticipated and were related to legal, licenses, hiring, product import and other set up expenses, while the company was not yet revenue generating. Over the second half of FY2019/20, the company launched its Circle product offering and increased revenues by an average of 40% per month between January to June 2020. During this time, the company actively built out its network of doctors to facilitate the prescription of its products to a growing number of patients, while keeping marketing costs minimal and maintaining fixed costs at a stable level. This trend continued into FY2020/21 as evident by the last reported month ending on 30 September 2020, which showed further improved unit economics, at a gross margin of 59%, with distribution and marketing expenses accounting for 8% and 10% of revenues respectively. The recurring nature of revenues, due to patient's chronic conditions, in combination with a growing number of patients per doctor, allows for revenue growth without significant marketing investments and hence provides a clear path towards profitability.

In light of strongly growing patient numbers in the Australian market and Montu's active matchmaking of patients with doctors from its network, the company's management believes that an increased utilization of 1% of patients of all doctors currently in the network is achievable by 2021, which would result in a 7% market share. Continuing our current trajectory of market share gain, the company could achieve a market share of 10% in 2022, based on continued growth of the doctor network and a 2% penetration of the doctor's patient base. In light of strong relationships with leading cannabis producers, Montu's management is confident that future product demand can be met and is likely to incur cost savings due to higher volumes. Growth is further supported by the planned expansion into the New Zealand market, as well as the ongoing change in sentiment towards cannabis as a medical and wellness product. The company maintains a positive outlook on its future financial guidance.

Comments on revenue outlook are inherently uncertain and should not be solely relied upon as they are subject to change, uncertainty and unexpected events, many of which cannot be controlled. Accordingly, actual results are likely to differ from the forecasts. No representation or assurance is or can be given that the forecasts will be achieved. Past performance is no guarantee of future performance. This revenue outlook has been prepared by Montu Group Pty Ltd and has not been validated by an independent third party.

Strong performance with major revenue growth ahead.



2021

7% market share
\$313m market size

Assumes our existing network of doctors prescribe cannabis to 1% of their patients

2022

10% market share
\$1bn market size

Assumes we grow our doctor network to 3% of Australian doctors and each doctor prescribes to 2% of their patients

- ↑ More patients per doctor
- ↑ CBD de-scheduling to OTC
- ↑ New Zealand expansion
- ↑ More prescribing doctors
- ↑ More product formulations

Section 3

Information about the Offer.



Terms of the Offer

Montu is offering up to 13,333,333 fully paid ordinary shares at an issue price of \$0.15 per share to raise up to \$2,000,000.

The key terms and conditions of the funding Offer are set out in the Table below.

To participate in the Offer, you must submit a completed application form together with the application money via the Intermediary's platform.

The Intermediary's website provides instructions on how to apply for shares under the Offer at www.birchal.com.

In certain circumstances, the Intermediary must close the Offer early. For example, if the Maximum Subscription is reached, the Offer must be closed. If the Minimum Subscription is not reached or the Offer is closed but not completed, you will be refunded your application money.

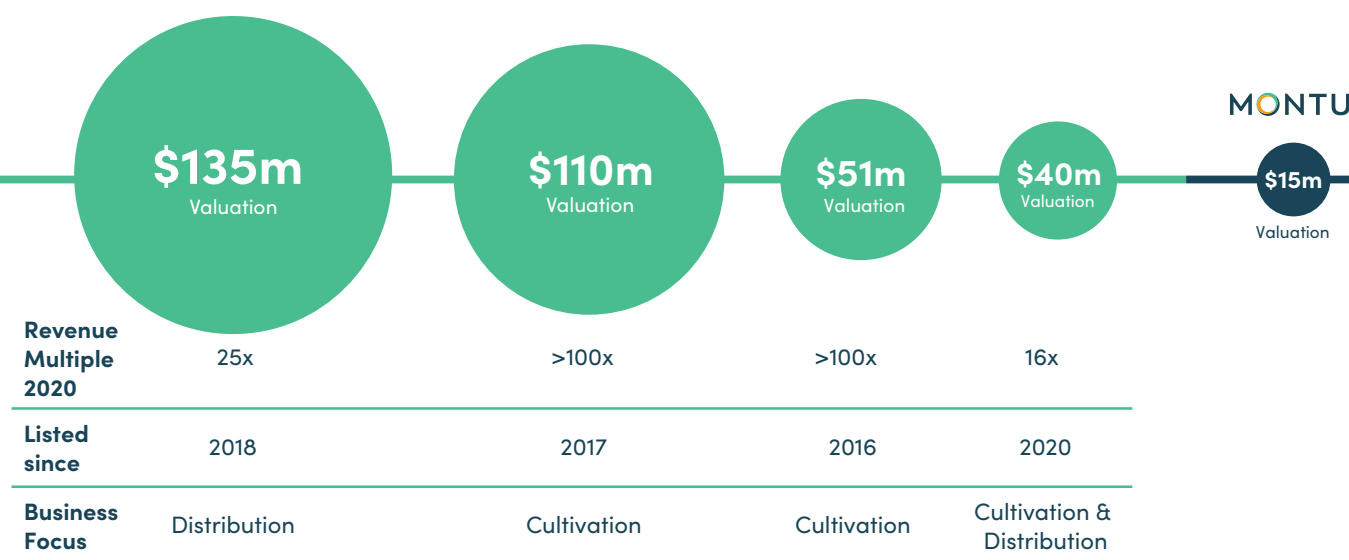
Shares:	Fully-paid ordinary shares
Maximum raise:	\$2million
Minimum raise:	\$0.3million
Price per share:	\$0.15
Minimum investment size:	\$99
Pre-raise valuation:	\$15million
Opening Date:	13 October 2020
Closing Date:	05 November 2020

Market Comparables

Montu's valuation was undertaken by the Board of Directors and its Advisors. Australian investors have shown strong interest in companies operating in Australia's emerging cannabis industry, as evidenced by the market capitalisation of several ASX-listed cannabis companies. Montu has a current revenue

run-rate of \$1million and a clear planned path to continue revenue growth through various initiatives. This should be considered when determining Montu's pre-money valuation.

Montu pre-money valuation: \$15,000,000.
Offer price per share: \$0.15.



Market Capitalisation as of 12 September 2020
Multiples calculated as Enterprise Value / Revenues FY19/20

Use of Funds

The table below sets out the intended use of funds raised under this Offer based on the minimum and maximum subscription amounts.

Intended use	Minimum Subscription	Maximum Subscription
Tech Platform	\$25,000	\$150,000
Product Inventory	\$100,000	\$600,000
Team Expansion	\$100,000	\$400,000
Marketing & Education	\$50,000	\$300,000
ASX Listing	-	\$425,000
Offer Costs	\$25,000	\$125,000
Total	\$300,000	\$2,000,000

The Offer is not underwritten and there is no guarantee that these funds will be raised.

The cost of the Offer includes the Intermediary's fees under the hosting agreement between the Company and the Intermediary.

These fees are up to 6% of all funds raised by the Issuer through Birchall Financial Services Pty Ltd (Intermediary), plus \$2,800 for administration and setup costs.

Other than as specified above, no other payments from the funds raised will be paid (directly or indirectly) to related parties, controlling shareholders, or any other persons involved in promoting or marketing the Offer.

Rights associated with Shares

Immediately after issue, the shares will be fully-paid shares. There will be no liability on the part of shareholders and the shares will rank equally with the shares currently on issue.

Voting Rights

Each shareholder has one vote on a show of hands and, on a poll, one vote for each share held.

Dividends

All shareholders have a right to receive any dividends declared and paid by the Company. The directors have a discretion and may resolve to pay dividends, subject to their obligations under the Corporations Act (for example, they cannot pay dividends unless the Company's assets are sufficiently in excess of its liabilities immediately before the dividend is declared and where it may materially prejudice the Company's ability to pay its creditors).

General Meeting and Notices

Directors have the power to call meetings of all shareholders or meetings of only those shareholders who hold a particular class of shares. Shareholders who hold at least 5% of the votes which may be cast at a general meeting of the Company have the power to call and hold a meeting themselves or to require the directors to call and hold a meeting.

Election and Removal of Directors

Shareholders may vote to elect and remove directors at a general meeting by way of ordinary resolution (50%).

Winding-up

If the Company is wound up and there are any assets left over after all the Company's debts have been paid, the surplus is distributed to holders of ordinary shares after secured and unsecured creditors of the Company. Holders of fully-paid ordinary voting shares rank ahead of other classes of shares (if any).

Restrictions on sale and Transfer

Subject to complying with all requirements of this constitution, a Member may transfer the Shares held by that Member. Prior to transferring shares to a third party, each shareholder must give notice to the Company of the terms of that transfer, and the Company has the right to buy back those share on those terms. If the Company does not elect to buy back those shares, the Directors may refuse to register a transfer of Shares in the Company for any reason.

What can I do with my Shares?

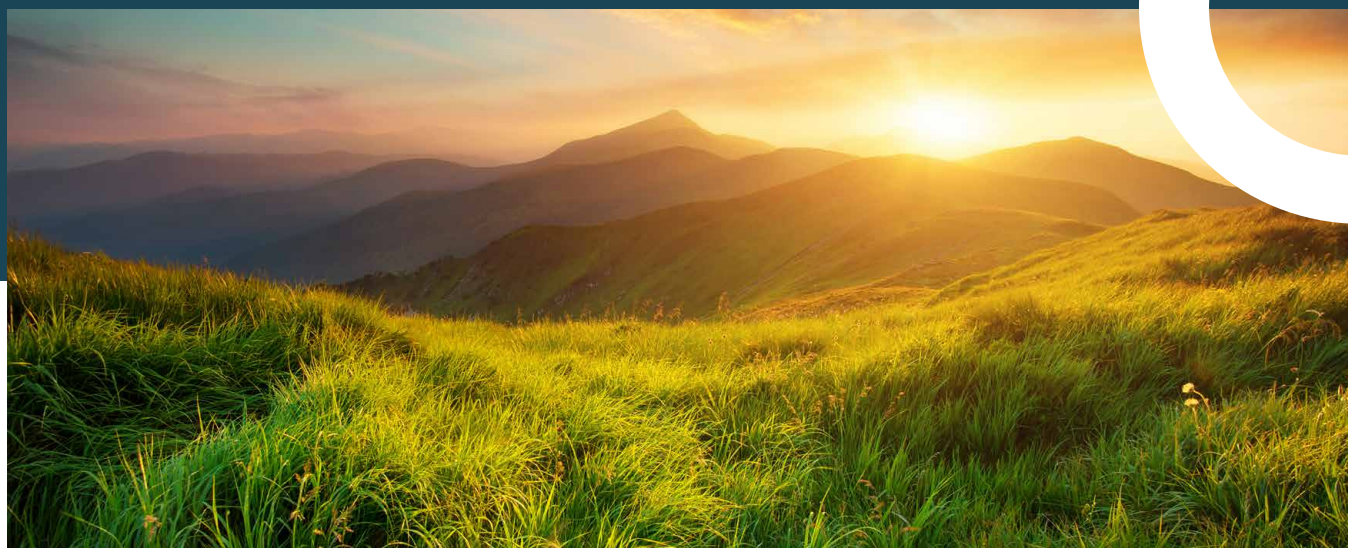
Shares in the Company are considered illiquid as they cannot easily be transferred or sold. However, there are numerous possible circumstances that may create an opportunity for shareholders to exit the business. These include, but are not limited to:

- A trade purchase of the Company
- A listing on a registered stock exchange (eg the ASX)
- A private equity investment in the Company
- A share buy-back by the Company

There is no guarantee that any of the exit options will eventuate.

Section 4

Information about investor rights.



Cooling-off Rights

You have the right to withdraw your application under this Offer and to be repaid your application money. If you wish to withdraw your application for any reason (including if you change your mind about investing in the Company), you must do so within five business days of making your application (the Cooling-off Period).

You must withdraw your application via the Intermediary's platform as follows: by following the link and instructions on the CSF Offer page on the Intermediary's platform.

After your withdrawal has been processed, the Intermediary will refund the application money to your nominated account as soon as practicable.

Communication facility for the Offer

You can ask questions about the Offer on the communication facility available on the Intermediary's platform. You can also use the communication facility to communicate with other investors, with the Company and with the Intermediary about this Offer.

You will be able to post comments and questions about the Offer and see the posts of other investors on the communication facility. The Company and/or the Intermediary will also be able to respond to questions and comments posted by investors.

Officers, employees or agents of the Company, and related parties or associates of the Company or the Intermediary, may participate in the facility and must clearly disclose their relationship to the Company and/or Intermediary when making posts on the facility.

Any comments made in good faith on the communication facility are not subject to the advertising restrictions in the Corporations Act.

Proprietary Company Corporate Governance Obligations

Annual Report

While the Company is currently a small proprietary company that is not required to prepare annual financial reports and directors' reports, if we successfully complete this Offer, then we will be required to prepare and lodge these annual reports with ASIC (within four months of the financial year end). The Company has a 30 June year end and its financial reports must be lodged by 31 October each year.

Our financial reports are currently not required to be audited as we are a small proprietary company. This means that the Company's financial reports will not be subject to auditor oversight and, therefore, there will be no independent assurance of the Company's financial statements. However, the directors are still required to ensure that the financial statements give a true and fair view of the Company's financial position and performance and that the financial statements comply with the accounting standards.

We may be required to have our financial reports audited in the future if we raise more than \$3 million from CSF offers (including this current offer and any future offers) or otherwise become a large proprietary company.

Related Party Transactions

If we successfully complete this Offer, the rules on related party transactions in Chapter 2E of the Corporations Act will apply to the Company (for so long as we continue to have CSF shareholders). This means that the Company is required to obtain shareholder approval before giving financial benefits to related parties of the company (e.g. directors and their spouses, children or parents), subject to certain exceptions (such as reasonable remuneration provided to directors).

Takeovers

If we successfully complete this Offer and have more than 50 shareholders, the takeover rules in the Corporations Act will only apply to the Company in a very limited way. If someone wants to buy more than 20% of the voting shares in the Company, they will be able to do so without complying with the takeover rules. This means a person may be able to get control of the Company without making a formal takeover bid to all shareholders or without seeking shareholder approval.

Shareholders will not have the benefit of the full protections under the takeover rules, which means you may not have the right to vote on or participate in a change of control of the company. However, the general principles of ensuring shareholders have sufficient information and time to consider a change of control, and all have a reasonable and equal opportunity to participate in any benefits, will apply to the Company. In addition, the Takeovers Panel has jurisdiction to hear disputes relating to control of the Company.

Glossary.

Company means Montu Group Pty Ltd
ACN 634 198 360

Cooling-off Period means the period ending five business days after an application is made under this Offer, during which an investor has a right to withdraw their application and be repaid their application money

CBD means Cannabidiol, a non-psychoactive prescribable cannabinoid molecule of Cannabis

Chronic Condition means a medical condition lasting 3 months or more

CSF means crowd-sourced funding under Part 6D.3A of the Corporations Act

FY2019/20 means financial year ending 30 June 2020

Intermediary means Birchall Financial Services Pty Ltd
AFSL 502618

Maximum Subscription means the amount specified in this CSF offer document as the maximum amount sought to be raised by the Offer

Minimum Subscription means the amount specified in this CSF offer document as the minimum amount sought to be raised by the Offer

ODC means the Office of Drug Control, an Australian Cannabis Regulatory Agency

Offer means an offer of fully-paid ordinary shares by the Company under this CSF offer document

Opioids means any substance or medicine derived from opium or synthetic that acts on opioid receptors, e.g. Morphine, Oxycodone, Fentanyl, Targin, Codeine

Related companies means companies that are related commercially or via equity

Revenue Run-Rate means September 2020 revenue times 12 months

SAS Category B means the pathway B of the Special Access Scheme for access to medicines not registered on the ARTG, i.e. Medicinal Cannabis

TeleHealth means health services provided via telephone or video conference or other radio communications

TGA means Therapeutic Goods Administration, an Australian Medicine and Therapeutic Regulatory Agency

\$ Financial amounts in this offer document are expressed in Australian dollars unless otherwise stated. Any discrepancies between totals and sums of components in tables contained in this offer document are due to rounding.



MONTU

www.montu.com.au

For enquiries email: invest@montu.com.au