

CRONOS

A U S T R A L I A

LAUNCH OF SECOND CONSUMER BRAND IN NORTH ASIAN MARKETS WITH “FCTR” CBD PERFORMANCE RANGE

Melbourne, Australia, 1 April 2021 – Cronos Australia Limited (ASX:CAU, “Cronos Australia” or the “Company”) is pleased to announce the launch of its “FCTR” CBD-based performance range. FCTR (pronounced “factor”) is the Company’s second consumer brand, following the launch of Bathing Shed, and will initially be sold in Hong Kong and Japan. For regulatory reasons, FCTR’s CBD-based consumer products are not yet available for sale in Australia.

FCTR is Cronos Australia’s new performance brand and is designed to be a recovery partner for a wide range of athletes.

The first two products being launched in the FCTR range are:

- FCTR 50mL **Warm Gel** containing 300mg of pure CBD, plus curcumin, arnica and other beneficial ingredients, with a pleasant grapefruit scent, which has a warming sensation when applied to the skin and may aid in recovery; and
- FCTR 50mL **Cool Gel** containing 300mg of pure CBD, plus arnica and other beneficial ingredients, together with a mild, calming mint scent, which has a cooling sensation when applied to the skin and may aid in recovery.



Both products are entirely formulated and manufactured in Japan and contain compliant CBD in a rapidly absorbed and residue-free gel. The retail prices for each product in their respective markets is HKD190 and JPY2,273, excluding Japanese consumption tax, (approximately AUD30 excluding GST based on current exchange rates).

FCTR Warm Gel and Cool Gel come in premium, airless packaging with easy grip design, enabling single-handed, mess-free use by athletes.

To accelerate the distribution of FCTR Warm Gel and Cool Gel in Hong Kong, Cronos Australia has completed a sales agency agreement with SS Outdoor Limited, a Sure Step Asia group company (“Sure Step”).

Kirsty Hulme, founder and Managing Director of Sure Step, said “We’re glad to welcome FCTR to our range of top-class performance brands. Elite and recreational athletes are increasingly aware of the high potential of CBD as part of their training and recovery programs. We are confident that FCTR’s first two products are well-positioned to meet the needs of our most demanding customers.”

Nick Mulcahy, Cronos Australia’s Director, Asia said: “Our market engagement has shown that elite athletes and their coaching teams have three key concerns about CBD topical products. Firstly, they must be pure and compliant with World Anti-Doping Agency guidelines. Secondly, CBD must be made more affordable. Thirdly, athletes want a CBD sports product with the same design, usability and effectiveness standards that they expect from the rest of their gear. With our first two FCTR products, we believe we have successfully addressed each of those concerns.”

FCTR Warm Gel and FCTR Cool Gel will soon be available in Sure Step’s WAH-LAAH! retail store in Causeway Bay, Hong Kong. The products will also be available for e-commerce purchase at getfctr.com in Hong Kong and Japan in the coming weeks. Sure Step is planning to add additional retail stockists for FCTR through its network in April. Cronos Australia is also in discussions with a number of agencies in Japan to conclude wholesale arrangements similar to that with Sure Step.

Further information regarding FCTR can be found at www.getfctr.com and on Instagram @getfctr

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About Sure Step

Sure Step was founded in Hong Kong in 2009 and achieved rapid growth and prominence through its representation and work with performance and technical apparel brands. Sure Step currently represents and works with brands in sports, nutrition and human performance, accessing its network of buyers including more than 70 specialty stores.

Additionally, Sure Step's own e-commerce and physical retailer WAH-LAAH! provides consumers with premium performance and technical products from both emerging and well-established brands, each with a unique story and inspiration.

<https://surestepasia.com/>

About Cronos Australia

Cronos Australia Limited is listed on the ASX (ASX:CAU). The vision of Cronos Australia is to become a leading health and wellness company in the Asia Pacific region through the creation and distribution of premium medical and consumer cannabinoid products and services. The Company's largest shareholder is Cronos Group Inc. (NASDAQ:CRON; TSX:CRON).

- Cronos Australia distributes the Adaya and PEACE NATURALS™ ranges of medicinal cannabis products nationwide in Australia through medical practitioners via the Special Access Scheme and Authorised Prescribers. See www.adaya.co
- 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.cannadoc.com.au and www.cannadoc.co.nz
- Cronos Australia has established operations in Hong Kong and Japan for the development of ranges of cannabinoid brands and products and their distribution into global consumer markets. The first two ranges of products are Bathing Shed, see www.bathingshed.com, and FCTR, see www.getfctr.com
- Cronos Australia has a 50/50 joint venture with A&S Branding, the founders of Sukin Organic Skincare, for the development of CBD products for sale in domestic and export markets.

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Forward-looking statements

This announcement may include forward-looking statements. These forward-looking statements are based on Cronos Australia's expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Cronos Australia, which could cause actual results to differ materially from such statements. Cronos Australia makes no undertaking to update or revise the forward-looking statements made in this announcement to reflect any change in circumstances or events after the date of this announcement.