



CHANGES TO ESCROW ARRANGEMENTS

Melbourne, Australia, 29 October 2021 – Cronos Australia Limited (ASX:CAU, “Cronos Australia” or the “Company”) provides an update on the current arrangements regarding the escrow of shares in the Company pursuant to Listing Rule 3.10A.

As part of the Company’s initial public offering (“IPO”) in November 2019, a total of 80,125,000 fully paid ordinary shares in the capital of the Company (“Shares”) were subject to ASX-imposed escrow for a period of 24 months from the date on which the Company was admitted to the official list of the ASX. This escrow period is due to end on 7 November 2021.

As announced on 14 September 2021, the Company has executed a Merger Implementation Agreement to acquire 100% of the issued capital of Queensland-based medicinal cannabis company CDA Health Pty Ltd (“Merger”). As part of the Merger, the current three largest shareholders of Cronos Australia, who collectively own 80,000,000 Shares pre-Merger, will enter into voluntary escrow agreements. Pursuant to the terms of the voluntary escrow agreements, all of their respective Shares will be escrowed for a further period commencing on 7 November 2021 and ending on the date which is 12 months after the date on which the Merger is completed. In the event that the Merger does not complete by 31 December 2021, the voluntary escrow agreements will terminate and all of the Shares held by these three shareholders will immediately be released from voluntary escrow.

The remaining 125,000 Shares that are currently in escrow will not be subject to the voluntary escrow arrangements and will be released from escrow on 7 November 2021.

In addition, the 2,000,000 options issued to the underwriter of the IPO (which expire on 31 December 2021 and which are exercisable for \$0.65 per option) will also be released from escrow on 7 November 2021.

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About Cronos Australia Limited

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

- 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 current three ranges of products are Bathing Shed, FCTR and Saiph.
See www.bathingshed.com, www.getfctr.com and www.saiphlife.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.

Merger announced with CDA Health Pty Ltd

On 14 September 2021, Cronos Australia announced a merger with CDA Health Pty Ltd, which is expected to close, subject to shareholder and other approvals, in late 2021.

Authorised by

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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.