

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **March 17, 2020**

CRONOS GROUP INC.

(Exact name of registrant as specified in its charter)

Ontario, Canada
(State or other jurisdiction
of incorporation)

001-38403
(Commission
File Number)

N/A
(I.R.S. Employer
Identification No.)

720 King St. W., Suite 320
Toronto, Ontario
(Address of principal executive offices)

M5V 2T3
(Zip Code)

Registrant's telephone number, including area code: **(416) 504-0004**

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares, no par value	CRON	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On March 17, 2020, Cronos Group Inc. (the “Company”) issued a press release that includes financial information. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein in by reference.

Item 4.02. Non-Reliance on Previously Issued Financial Statements or a Related Audit Report or Completed Interim Review.

On March 17, 2020, the Company, on the recommendation of the Audit Committee of the Company’s Board of Directors and after consultation with KPMG LLP, the Company’s independent registered public accounting firm, determined that it will be required to restate its previously issued unaudited interim financial statements for the first, second and third quarters of 2019 that were previously filed on Form 6-K on May 9, 2019, August 8, 2019 and November 12, 2019, respectively. The Company’s prior financial statements for these periods should therefore no longer be relied upon.

The Company’s management and the Audit Committee of the Company’s Board of Directors have discussed the decision to restate with KPMG LLP, the Company’s independent registered public accounting firm. As previously disclosed, the Audit Committee of the Company’s Board of Directors has been conducting a review of certain bulk resin purchases and sales of products through the wholesale channel. The restatement disclosed today is being made to eliminate certain of these transactions. Following completion of this review, the Company will restate its unaudited interim financial results statements for the three months ended March 31, 2019, the six months ended June 30, 2019 and the three and nine months ended September 30, 2019 to eliminate a sale of dried cannabis for C\$2.5 million in the first quarter, and sales of dried cannabis for C\$5.1 million in the third quarter which will have the effect of reducing revenue for the three months ended March 31, 2019 by C\$2.5 million and the three months ended September 30, 2019 by C\$5.1 million.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits

Exhibit Number

99.1 [Press release of Cronos Group Inc., dated March 17, 2020.](#)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CRONOS GROUP INC.

Dated: March 17, 2020

By: /s/ Michael Gorenstein

Name: Michael Gorenstein

Title: President and Chief Executive Officer

EXHIBIT INDEX

**Exhibit
Number**

99.1 [Press release of Cronos Group Inc., dated March 17, 2020.](#)

Cronos Group to Restate Certain 2019 Unaudited Interim Financial Statements

TORONTO, March 17, 2020 (GLOBE NEWSWIRE) -- Cronos Group Inc. (NASDAQ: CRON) (TSX: CRON) ("Cronos Group" or the "Company") announced today that the Company determined, on the recommendation of the Audit Committee of the Company's Board of Directors and after consultation with KPMG LLP, the Company's independent registered public accounting firm, that Cronos Group's previously issued unaudited interim financial statements for first, second and third quarters of 2019 prepared in accordance with International Financial Reporting Standards as filed on SEDAR, and with the U.S. Securities and Exchange Commission on Form 6-K, will be restated and reissued and should no longer be relied upon.

As previously announced, the Audit Committee of the Company's Board of Directors has been conducting a review of certain bulk resin purchases and sales of products through the wholesale channel, and the restatement is being made to eliminate certain of these transactions through the wholesale channel. The Company will reduce revenue for the three months ended March 31, 2019 by C\$2.5 million and the three months ended September 30, 2019 by C\$5.1 million.

Cronos Group intends to file its Annual Report on Form 10-K for the fiscal year ended December 31, 2019, including its audited annual financial statements for the fiscal year ended December 31, 2019, no later than March 30, 2020. However, no assurance can be given that the anticipated timing of filing will be met due to the impact of COVID-19, as well as the need for the Company's auditors to complete their audit work, among other things. In connection with the restatement, the Company anticipates that it will report one or more material weakness in internal control over financial reporting when it files its Form 10-K.

About Cronos Group Inc.

Cronos Group is an innovative global cannabinoid company with international production and distribution across five continents. Cronos Group is committed to building disruptive intellectual property by advancing cannabis research, technology and product development. With a passion to responsibly elevate the consumer experience, Cronos Group is building an iconic brand portfolio. Cronos Group's portfolio includes PEACE NATURALS™, a global health and wellness platform, two adult-use brands, COVE™ and Spinach™, and two hemp-derived CBD brands, Lord Jones™ and PEACE+™. For more information about Cronos Group and its brands, please visit: www.thecronosgroup.com

Forward-Looking Statements

This news release contains "forward-looking information" and "forward-looking statements" within the meaning of applicable Canadian and U.S. securities laws. All information contained herein that is not clearly historical in nature may constitute forward-looking information. In some cases, forward-looking statements can be identified by words or phrases such as "may", "will", "expect", "plan", "anticipate", "intend", "potential", "estimate", "believe" or the negative of these terms, or other similar expressions intended to identify forward-looking statements. Some of the forward-looking statements contained in this press release include the timing of the restatement of Cronos Group's unaudited interim financial statements and the filing of its Annual Report on Form 10-K for the fiscal year ended December 31, 2019 and the impact of any material weaknesses that may be identified as a result of the Audit Committee review. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive risks, uncertainties and contingencies that may cause the actual timing of the restatement of Cronos Group's financial statements and the filing of its Annual Report on Form 10-K for the fiscal year ended December 31, 2019, financial results, performance or achievements to be

materially different from the estimated future restatement time, filing time, results, performance or achievements expressed or implied by those forward-looking statements and the forward-looking statements are not guarantees of future performance. A discussion of some of the material risks applicable to the Company can be found in the Company's current Management's Discussion and Analysis and Annual Information Form and under the heading "Risk Factors" in Part I, Item 1A of the Company's Annual Report on Form 10-K for the fiscal year ended December, 31, 2019, each of which have been filed on SEDAR and EDGAR and can be accessed at www.sedar.com and www.sec.gov/edgar, respectively. The forward-looking information included in this news release is made as of the date of this news release and, except as required by law, Cronos Group disclaims any obligation to update or revise any forward-looking statements. Readers are cautioned not to put undue reliance on these forward-looking statements.

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