

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**Form 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended **March 31, 2026**

or

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to .  
Commission File No. **001-38403**

**CRONOS GROUP INC.**

(Exact name of registrant as specified in its charter)

**British Columbia, Canada**

(State or other jurisdiction of  
incorporation or organization)

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

**4491 Concession Rd 12**

**Stayner, Ontario**

(Address of principal executive offices)

**L0M 1S0**

(Zip Code)

**416-504-0004**

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

**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: (1) has filed all reports required to be filed by Section 13 or Section 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of May 6, 2026, there were 373,662,039 common shares of the registrant issued and outstanding.

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Unless otherwise noted or the context indicates otherwise, references in this Quarterly Report on Form 10-Q (this “Quarterly Report”) to the “Company,” “Cronos Group,” “we,” “us” and “our” refer to Cronos Group Inc., its direct and indirect wholly owned subsidiaries and, if applicable, its joint ventures and investments accounted for by the equity method; the term “cannabis” means the plant of any species or subspecies of genus *Cannabis* and any part of that plant, including all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers; the term “U.S. hemp” has the meaning given to the term “hemp” in the United States (“U.S.”) Agricultural Improvement Act of 2018 (the “2018 Farm Bill”), including hemp-derived cannabidiol (“CBD”); and the term “U.S. Schedule I cannabis” means cannabis excluding U.S. hemp.

This Quarterly Report contains references to our trademarks and trade names and to trademarks and trade names belonging to other entities. Solely for convenience, trademarks and trade names referred to in this Quarterly Report may appear without the ® or ™ symbols, but such references are not intended to indicate, in any way, that their respective owners will not assert, to the fullest extent under applicable law, their rights thereto. We do not intend our use or display of other companies’ trademarks or trade names to imply a relationship with, or endorsement or sponsorship of us or our business by, any other companies. In addition, this Quarterly Report includes website addresses. These website addresses are intended to provide inactive, textual references only. The information on or referred to on these websites is not part of or incorporated into this Quarterly Report.

All currency amounts in this Quarterly Report are stated in U.S. dollars, which is our reporting currency, unless otherwise noted. All references to “dollars” or “\$” are to U.S. dollars; all references to “C\$” are to Canadian dollars; and all references to “ILS” are to New Israeli Shekels.

*(Exchange rates are shown as C\$ per \$)*

	As of		
	March 31, 2026	March 31, 2025	December 31, 2025
Spot rate	1.3916	1.4393	1.3698
Year-to-date average rate	1.3720	1.4356	N/A

*(Exchange rates are shown as ILS per \$)*

	As of		
	March 31, 2026	March 31, 2025	December 31, 2025
Spot rate	3.1441	3.7191	3.1863
Year-to-date average rate	3.1240	3.6145	N/A

All summaries of agreements described herein are qualified by the full text of such agreements (certain of which have been filed as exhibits with the U.S. Securities and Exchange Commission).

**PART I**  
**FINANCIAL INFORMATION**

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**Item 1. Financial Statements**

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**Cronos Group Inc.**  
**Condensed Consolidated Balance Sheets**  
(In thousands of U.S. dollars, except share amounts, unaudited)

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	As of March 31, 2026	As of December 31, 2025
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 821,856	\$ 791,794
Short-term investments	—	40,000
Accounts receivable, net	32,962	34,099
Interest receivable	5,734	8,654
Other receivables	13,546	14,445
Current portion of loans receivable, net	128	—
Inventory, net	48,676	46,750
Prepays and other current assets	4,974	8,344
<b>Total current assets</b>	<b>927,876</b>	<b>944,086</b>
Other investments	5,199	7,664
Non-current portion of loans receivable, net	20,803	20,847
Property, plant and equipment, net	142,102	145,865
Right-of-use assets	1,303	1,422
Goodwill	65,436	66,478
Intangible assets, net	8,549	8,890
Deferred tax assets	841	1,888
<b>Total assets</b>	<b>\$ 1,172,109</b>	<b>\$ 1,197,140</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable	\$ 10,281	\$ 11,640
Income taxes payable	1,369	—
Accrued liabilities	30,601	36,210
Current portion of lease obligation	169	337
<b>Total current liabilities</b>	<b>42,420</b>	<b>48,187</b>
Non-current portion due to non-controlling interests	749	733
Non-current portion of lease obligation	1,142	1,172
Deferred tax liabilities	3,984	4,089
<b>Total liabilities</b>	<b>48,295</b>	<b>54,181</b>
<b>Shareholders' equity</b>		
Share capital and additional paid-in capital (no par value; authorized for issue as of March 31, 2026 and December 31, 2025: unlimited; shares outstanding as of March 31, 2026 and December 31, 2025: 376,258,707 and 381,592,969, respectively)	647,040	662,983
Retained earnings	460,540	447,756
Accumulated other comprehensive loss	(33,918)	(16,842)
<b>Total equity attributable to shareholders of Cronos Group</b>	<b>1,073,662</b>	<b>1,093,897</b>
Non-controlling interests	50,152	49,062
<b>Total shareholders' equity</b>	<b>1,123,814</b>	<b>1,142,959</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 1,172,109</b>	<b>\$ 1,197,140</b>

See notes to condensed consolidated interim financial statements.

**Cronos Group Inc.****Condensed Consolidated Statements of Net Income (Loss) and Comprehensive Income (Loss)***(In thousands of U.S. dollars, except share and per share amounts, unaudited)*[Table of Contents](#)

	<b>Three months ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
<b>Net revenue, before excise taxes</b>	\$ 58,965	\$ 41,898
Excise taxes	(13,755)	(9,636)
<b>Net revenue</b>	<b>45,210</b>	<b>32,262</b>
Cost of sales	25,392	18,528
Inventory write-down	665	—
<b>Gross profit</b>	<b>19,153</b>	<b>13,734</b>
<b>Operating expenses</b>		
Sales and marketing	5,615	4,565
Research and development	1,413	793
General and administrative	11,736	9,309
Restructuring costs	484	555
Share-based compensation	1,313	2,088
Depreciation and amortization	425	496
Total operating expenses	20,986	17,806
Operating loss	(1,833)	(4,072)
<b>Other income (expense)</b>		
Interest income, net	8,853	9,665
Gain (loss) on revaluation of financial instruments	(2,484)	49
Foreign currency gain	13,699	1,583
Change in allowance for credit loss on non-operating loan	(106)	—
Other, net	10	43
<b>Total other income</b>	<b>19,972</b>	<b>11,340</b>
Income before income taxes	18,139	7,268
Income tax provision (benefit)	2,428	(455)
Net income	15,711	7,723
Net income attributable to non-controlling interest	1,959	1,601
Net income attributable to Cronos Group	\$ 13,752	\$ 6,122
<b>Comprehensive income (loss)</b>		
Net income	\$ 15,711	\$ 7,723
Other comprehensive loss		
Foreign exchange loss on translation	(17,945)	(3,082)
Comprehensive income (loss)	(2,234)	4,641
Comprehensive income attributable to non-controlling interests	1,090	1,443
<b>Comprehensive income (loss) attributable to Cronos Group</b>	<b>\$ (3,324)</b>	<b>\$ 3,198</b>
<b>Net income per share</b>		
Basic net income per share attributable to Cronos Group	\$ 0.04	\$ 0.02
Diluted net income per share attributable to Cronos Group	\$ 0.04	\$ 0.02

See notes to condensed consolidated interim financial statements.

**Cronos Group Inc.****Condensed Consolidated Statements of Changes in Equity****For the three months ended March 31, 2026 and 2025***(In thousands of U.S. dollars, except share amounts, unaudited)*

	Number of shares	Share capital and additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Non- controlling interests	Total shareholders' equity
Balance as of December 31, 2025	381,592,969	\$ 662,983	\$ 447,756	\$ (16,842)	\$ 49,062	\$ 1,142,959
Activities relating to share-based compensation	1,031,438	787	(968)	—	—	(181)
Share repurchases	(6,365,700)	(16,730)	—	—	—	(16,730)
Net income	—	—	13,752	—	1,959	15,711
Foreign exchange loss on translation	—	—	—	(17,076)	(869)	(17,945)
Balance as of March 31, 2026	376,258,707	\$ 647,040	\$ 460,540	\$ (33,918)	\$ 50,152	\$ 1,123,814

	Number of shares	Share capital and additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Non- controlling interests	Total shareholders' equity
Balance as of December 31, 2024	382,530,780	\$ 669,879	\$ 457,709	\$ (63,525)	\$ 46,919	\$ 1,110,982
Activities relating to share-based compensation	2,875,615	(843)	(15)	—	—	(858)
Net income	—	—	6,122	—	1,601	7,723
Foreign exchange loss on translation	—	—	—	(2,924)	(158)	(3,082)
Balance as of March 31, 2025	385,406,395	\$ 669,036	\$ 463,816	\$ (66,449)	\$ 48,362	\$ 1,114,765

See notes to condensed consolidated interim financial statements.

	Three months ended March 31,	
	2026	2025
<b>Operating activities</b>		
Net income	\$ 15,711	\$ 7,723
Adjustments to reconcile net income to net cash used in operating activities:		
Share-based compensation	1,313	2,088
Depreciation and amortization	3,727	2,840
Loss from investments	2,484	68
Changes in expected credit losses on long-term financial assets	107	9
Inventory step-up recorded to cost of sales	—	517
Foreign currency gain	(13,699)	(1,583)
Other non-cash operating activities, net	979	779
Changes in operating assets and liabilities:		
Accounts receivable, net	879	(3,409)
Interest receivable	2,360	3,453
Other receivables	724	(2,379)
Prepays and other current assets	3,310	(60)
Inventory, net	(2,039)	(1,631)
Accounts payable	(1,206)	(1,637)
Income taxes payable	1,387	4
Accrued liabilities	(5,139)	(8,878)
Net cash provided by (used in) operating activities	10,898	(2,096)
<b>Investing activities</b>		
Purchase of short-term investments	—	(40,000)
Proceeds from short-term investments	40,000	—
Purchase of property, plant and equipment	(1,875)	(15,258)
Purchase of intangible assets	(96)	(98)
Net cash provided by (used in) investing activities	38,029	(55,356)
<b>Financing activities</b>		
Repurchases of common stock	(16,730)	—
Withholding taxes paid on share-based awards	(1,538)	(2,930)
Net cash used in financing activities	(18,268)	(2,930)
Effect of foreign currency translation on cash and cash equivalents	(597)	(604)
Net change in cash and cash equivalents	30,062	(60,986)
Cash and cash equivalents, beginning of period	791,794	858,805
Cash and cash equivalents, end of period	\$ 821,856	\$ 797,819
<b>Supplemental cash flow information</b>		
Interest paid	\$ —	\$ —
Interest received	\$ 9,370	\$ 13,052
Income taxes paid	\$ 8	\$ 50

See notes to condensed consolidated interim financial statements.

## 1. Background, Basis of Presentation, and Summary of Significant Accounting Policies

### (a) Background

Cronos Group Inc. (“Cronos” or the “Company”) is incorporated in the province of British Columbia under the *Business Corporations Act* (British Columbia) with principal executive offices at 4491 Concession Rd 12, Stayner, Ontario, L0M 1S0. The Company’s common shares are currently listed on the Toronto Stock Exchange (“TSX”) and Nasdaq Global Market (“Nasdaq”) under the ticker symbol “CRON.”

Cronos is a global cannabis company focused on scaling leading consumer goods products through research and development and innovation. With a passion to responsibly elevate the consumer experience, Cronos is building an iconic brand portfolio. Cronos’ diverse international brand portfolio includes Spinach®, PEACE NATURALS®, LIT™ and Lord Jones®.

### (b) Basis of presentation

These condensed consolidated interim financial statements of Cronos are unaudited. They have been prepared in accordance with Generally Accepted Accounting Principles in the United States (“U.S. GAAP”) for interim financial information and with applicable rules and regulations of the U.S. Securities and Exchange Commission (the “SEC”) relating to interim financial statements. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. Operating results for the three months ended March 31, 2026 are not necessarily indicative of the results that may be expected for any other reporting period.

These condensed consolidated interim financial statements should be read in conjunction with the Company’s audited consolidated financial statements and related notes included in its Annual Report on Form 10-K for the year ended December 31, 2025 (the “Annual Report”).

Certain prior period amounts have been reclassified to conform to the current period presentation of our condensed consolidated interim financial statements. These reclassifications had no effect on the reported results of operations and ending shareholders’ equity.

### (c) Segment information

Segment reporting is prepared on the same basis that the Company’s chief operating decision maker (the “CODM”) manages the business, makes operating decisions and assesses the Company’s performance. The Company has determined that it has one operating segment and therefore one reportable segment, which is comprised of operations in Canada and Israel and is involved in the cultivation, manufacture, and marketing of cannabis and cannabis-derived products for the medical and adult-use markets.

### (d) Revenue recognition

The following table presents the Company’s revenue by major product category:

	Three months ended March 31,	
	2026	2025
Cannabis flower	\$ 33,734	\$ 23,344
Cannabis extracts	11,457	8,608
Other	19	310
Net revenue	<u>\$ 45,210</u>	<u>\$ 32,262</u>

Net revenues attributed to a geographic region based on the location of the customer were as follows:

	Three months ended March 31,	
	2026	2025
Canada	\$ 25,351	\$ 20,130
Israel	14,151	9,229
Other countries	5,708	2,903
Net revenue	<u>\$ 45,210</u>	<u>\$ 32,262</u>

**(e) Short-term Investments**

Short-term investments are classified as held-to-maturity and recorded at cost. Interest earned on short-term investments is recorded in interest receivables on the consolidated balance sheets and interest income, net on the condensed consolidated statements of net income (loss) and comprehensive income (loss). Cash inflows and outflows related to the purchase and maturity of short-term investments are classified as investing activities in the Company's condensed consolidated statements of cash flows. As of March 31, 2026 and December 31, 2025, the Company's short-term investments of nil and \$40,000, respectively, were comprised of Guaranteed Investment Certificates held in Canada.

**(f) Concentration of risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk from its operating activities, primarily accounts receivable and other receivables, and its investing activities, including cash held with banks and financial institutions, short-term investments and loans receivable. The Company's maximum exposure to this risk is equal to the carrying amount of these financial assets, which amounted to \$895,029 and \$909,839 as of March 31, 2026 and December 31, 2025, respectively.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on the days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events and current conditions. Effective January 1, 2026, the Company elected the practical expedient under ASU 2025-05, which permits the assumption that current conditions as of the reporting date remain unchanged for the remaining life of the asset when developing the expected credit loss estimate for current accounts receivable and current contract assets arising from contracts with customers. Accounts receivable are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the failure of a debtor to engage in a repayment plan, and a failure to make contractual payments for a period of greater than 120 days past due. As of March 31, 2026 and December 31, 2025, the Company had \$12 and \$9, respectively, in expected credit losses that have been recognized on receivables from contracts with customers.

As of March 31, 2026, the Company assessed that there is a concentration of credit risk, as 21% of the Company's accounts receivable were due from one customer with an established credit history with the Company. As of December 31, 2025, 16% of the Company's accounts receivable were due from one customer with an established credit history with the Company.

The Company sells products to a limited number of major customers. Major customers are defined as customers that each individually accounted for greater than 10% of the Company's net revenue before excise taxes. During the three months ended March 31, 2026, the Company earned a total net revenue before excise taxes of \$24,597 from two major customers, together accounting for 42% of the Company's total net revenue before excise taxes. During the three months ended March 31, 2025, the Company earned a total net revenue before excise taxes of \$17,751 from two major customers, together accounting for 42% of the Company's total net revenue before excise taxes.

**(g) Adoption of new accounting pronouncement**

In July 2025, the Financial Accounting Standards Board issued ASU 2025-05, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets ("ASU 2025-05"). ASU 2025-05 is effective for annual reporting periods beginning after December 15, 2025, and interim reporting periods within those annual reporting periods, with early adoption permitted. Entities should apply the new guidance prospectively. This ASU effectively simplifies the expected credit loss analysis on accounts receivable and contract assets. Entities may now elect a practical expedient that assumes that current conditions as of the balance sheet date will not change for the remaining life of the asset when evaluating the likelihood of repayment. The adoption of ASU 2025-05 did not have a material effect on the Company's condensed consolidated financial statements.

**(h) New accounting pronouncements not yet adopted**

In November 2024, the Financial Accounting Standards Board issued ASU 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40) Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures (“ASU 2024-03”). ASU 2024-03 adds an obligation under ASC 220-40 to require a footnote disclosure about specific expenses by requiring public business entities to disaggregate, in a tabular presentation, each relevant expense caption on the face of the income statement that includes any of the following natural expenses: (1) purchases of inventory, (2) employee compensation, (3) depreciation, (4) intangible asset amortization, and (5) depreciation, depletion, and amortization recognized as part of oil and gas-producing activities or other types of depletion expenses. The tabular disclosure would also include certain other expenses, when applicable. ASU 2024-03 does not change or remove existing expense disclosure requirements; however, it may affect where that information appears in the footnotes to the financial statements. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted, and applicable entities are required to adopt ASU 2024-03 prospectively; however, companies are permitted to apply the amendments in ASU 2024-03 retrospectively. The Company does not expect the adoption of ASU 2024-03 to have a material impact on its consolidated financial statements. In January 2025, the effective date was further clarified with the issuance of ASU 2025-01, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date (“ASU 2025-01”). No guidance was changed with ASU 2025-01, but the issuance simply ensures that all public business entities have a clear and consistent timeline for implementing the enhanced expense disaggregation disclosures.

In December 2025, the Financial Accounting Standards Board issued ASU 2025-11, Interim Reporting (Topic 270): Improvements to Interim Disclosure Requirements. The ASU clarifies and reorganizes existing interim reporting guidance to improve its operability and consistency, primarily by emphasizing that interim disclosures should focus on significant changes since the most recent annual reporting period. The amendments do not change the recognition or measurement of amounts reported in the financial statements. The guidance is effective for interim reporting periods within annual reporting periods beginning after December 15, 2027. The adoption of ASU 2025-11 is not expected to have a material impact on the Company’s consolidated financial statements.

**2. Inventory, net**

Inventory, net is comprised of the following items:

	As of March 31, 2026	December 31, 2025
Raw materials	\$ 9,170	\$ 8,762
Work-in-progress	25,832	25,830
Finished goods	13,578	12,012
Supplies and consumables	96	146
Total	\$ 48,676	\$ 46,750

As a result of the transaction by which we obtained majority control of the board of directors of Cronos GrowCo (the “Cronos GrowCo Transaction”), the Company recorded a step-up to Cronos GrowCo’s existing inventory of \$5,605 to bring the inventory balance acquired by the Company to its fair value. For the three months ended March 31, 2026 and 2025, the Company recognized nil and \$517, respectively, of this inventory step-up into cost of sales on the condensed consolidated statements of net income (loss) and comprehensive income (loss). As of both March 31, 2026 and December 31, 2025, none of the inventory step-up was remaining in the Company’s inventory on the condensed consolidated balance sheets.

**3. Investments**

**Other investments**

Other investments consist of investments in common shares and warrants of companies in the cannabis industry.

*Vitura*

On February 12, 2025, Vitura Health Limited (“Vitura”) issued an additional 74,814,757 common shares diluting the Company’s ownership in Vitura from approximately 10% to approximately 8.3%. As of March 31, 2026, the Company’s ownership percentage in Vitura remained at approximately 8.3% of its outstanding common shares. The investment is considered an equity security with a readily determinable fair value. Changes in the fair value of the investment are recorded as gain (loss) on revaluation of financial instruments on the condensed consolidated statements of net income (loss) and comprehensive income (loss).

*High Tide Warrant*

On July 16, 2025, the Company, as lender, and High Tide Inc. (“High Tide”), as borrower, entered into a loan agreement for junior secured convertible debt with a principal amount of C\$30,000 (\$21,558) and an original issue discount of 16% (the “High Tide Loan”). Additionally, the Company received a common share purchase warrant (the “High Tide Warrant”) with a five-year term, which is exercisable into up to 3,836,317 common shares (the “Warrant Shares”) of High Tide at an exercise price of C\$3.91 per Warrant Share.

The High Tide Warrant is classified as a derivative that is not being held as a hedge and was initially recorded at a fair value of C\$6,989 (\$5,106) to other investments on the condensed consolidated balance sheet on the transaction date. The High Tide Warrant’s fair value is estimated at each reporting date using a Black-Scholes model. Key inputs include the share price and volatility of High Tide common shares, the risk-free rate and the remaining term of the High Tide Warrant. Changes in the fair value of the High Tide Warrant are recorded as income (loss) on revaluation of financial instruments on the condensed consolidated statements of net income (loss) and comprehensive income (loss). See Note 4 “*Loans Receivable, net*” for discussion of the loan receivable recognized as part of the agreement with High Tide.

The following tables summarize the Company’s other investments activity:

	As of December 31, 2025	Unrealized loss	Foreign exchange effect	As of March 31, 2026
Vitura	\$ 2,253	\$ (888)	\$ 82	\$ 1,447
High Tide Warrant	5,411	(1,596)	(63)	3,752
	<u>\$ 7,664</u>	<u>\$ (2,484)</u>	<u>\$ 19</u>	<u>\$ 5,199</u>

	As of December 31, 2024	Unrealized loss	Foreign exchange effect	As of March 31, 2025
Vitura	\$ 2,813	\$ (68)	\$ 10	\$ 2,755
	<u>\$ 2,813</u>	<u>\$ (68)</u>	<u>\$ 10</u>	<u>\$ 2,755</u>

**4. Loans Receivable, net**

Loans receivable, net consists of the following:

	As of March 31, 2026	As of December 31, 2025
Current portion of Mucci Promissory Note accrued interest	\$ 128	\$ —
Total current portion of loans receivable, net	128	—
High Tide Loan	9,235	9,185
Mucci Promissory Note	9,081	9,226
Cannasoul Collaboration Loan	1,993	1,972
Add: Long-term portion of accrued interest	494	464
Total long-term portion of loans receivable, net	20,803	20,847
Total loans receivable, net	<u>\$ 20,931</u>	<u>\$ 20,847</u>

*Mucci Promissory Note*

On June 28, 2019, the Company entered into a promissory note receivable agreement (the “Mucci Promissory Note”) for C\$16,350 (approximately \$11,749) with the Cronos GrowCo joint venture partner (“Mucci”). The Mucci Promissory Note is secured by a general security agreement covering all the assets of Mucci. Prior to July 1, 2022, interest accrued on the Mucci Promissory Note was capitalized as part of the principal balance. On September 30, 2022, the Mucci Promissory Note was amended and restated to increase the interest rate from 3.95% to the Canadian Prime Rate plus 1.25%, change the interest payments from quarterly to annual, and defer Mucci’s initial cash interest payment from September 30, 2022 to July 1, 2023. On June 20, 2024, the Mucci Promissory Note was amended and restated. As a result, interest accrued on the Mucci Promissory Note between July 1, 2023 and July 1, 2024 was capitalized as part of the principal balance. As of July 1, 2024, interest accruing on the Mucci Promissory Note is required to be paid in cash beginning on July 1, 2025. For both the three months ended March 31, 2026 and 2025, there were no repayments of principal or interest on the Mucci Promissory Note.

#### *Cannasoul Collaboration Loan*

The Company holds a variable interest in Cannasoul Lab Services Ltd. (“CLS”). CLS is a wholly owned subsidiary of Cannasoul Analytics Ltd., which has established a commercial cannabis analytical testing laboratory (the “Cannasoul Laboratory”) located on the premises of Cronos Israel (the “Cannasoul Collaboration”). Cronos Israel agreed to advance up to ILS 8,297 (\$2,639) by a non-recourse loan (the “Cannasoul Collaboration Loan”) to CLS over a period of two years from April 1, 2020 for the capital and operating expenditures of the Cannasoul Laboratory. The Cannasoul Collaboration Loan bears interest at 3.5% annually. Cronos Israel will receive 70% of the profits of the Cannasoul Laboratory until such time as it has recovered 150% of the amounts advanced to CLS, after which time it will receive 50% of the Cannasoul Laboratory profits. As a result, the Company is exposed to economic variability from CLS’s performance. The Company does not consolidate CLS as it does not have the power to direct the activities that most significantly impact the entity’s economic performance; thus, the Company is not considered the primary beneficiary of the entity. The carrying amount of the Cannasoul Collaboration Loan is recorded under loans receivable and the full amount of the Cannasoul Collaboration Loan, ILS 8,297, represents the Company’s maximum potential exposure to losses through the Cannasoul Collaboration.

As of both March 31, 2026 and December 31, 2025, CLS has received ILS 8,297 (approximately \$2,639 and \$2,604, respectively), from the Cannasoul Collaboration Loan.

#### *High Tide Loan*

On July 16, 2025, the Company, as lender, and High Tide, as borrower, entered into the High Tide Loan. The High Tide Loan bears interest at 4% per annum, payable in cash quarterly, and provides for conversion of the debt into common shares of High Tide at a price of C\$4.20 per common share. The High Tide Loan is convertible only upon the agreement of the Company and High Tide. The High Tide Loan has a term of five years and may be repaid early with no penalty. Additionally, the Company received the High Tide Warrant, which is exercisable into up to 3,836,317 common shares of High Tide at an exercise price of C\$3.91 per Warrant Share. See Note 3 “*Investments*” for discussion of the High Tide Warrant.

The loan receivable was recorded at a fair value as of the transaction date of C\$18,591 (\$13,359) and will be amortized using the effective interest method over the estimated life of the loan. For the three months ended March 31, 2026, High Tide paid \$212 in interest. As of March 31, 2026, the High Tide loan receivable included an unamortized discount of \$7,373 and an expected credit loss of \$4,951 as presented in the tables below.

#### *Credit Quality Indicators*

The Company is exposed to credit risk on loan receivables. Credit risk is the risk of loss arising from the failure of borrowers to meet the terms of the contract or otherwise fail to perform as agreed. Because each borrower has distinct risk characteristics, the Company evaluates each loan individually rather than as part of a broader portfolio. The Company routinely reviews its borrowers and assesses their financial health to estimate current expected credit losses. This assessment involves examining historical loss data—including benchmarking risk grades using Moody’s reports across different economic cycles—analyzing asset-specific risks, particularly those unique to the cannabis industry, and evaluating the current financial status and forecasted financial results of each borrower. Furthermore, the Company assigns credit risk ratings through an ordinal logit regression model, which compares borrowers’ credit quality to other rated companies by analyzing key financial metrics such as total assets, debt, revenue, earnings before interest and taxes, and net income.

Expected credit loss allowances on the Company's long-term financial assets for the three months ended March 31, 2026 and 2025 were comprised of the following items:

	As of December 31, 2025	Increase <sup>(i)</sup>	Foreign exchange effect	As of March 31, 2026
Mucci Promissory Note	\$ 59	\$ 1	\$ (1)	\$ 59
Cannasoul Collaboration Loan	631	5	9	645
High Tide Loan	4,924	106	(79)	4,951
	<u>\$ 5,614</u>	<u>\$ 112</u>	<u>\$ (71)</u>	<u>\$ 5,655</u>

  

	As of December 31, 2024	Increase <sup>(ii)</sup>	Foreign exchange effect	As of March 31, 2025
Mucci Promissory Note	88	5	—	93
Cannasoul Collaboration Loan	535	4	(10)	529
	<u>\$ 623</u>	<u>\$ 9</u>	<u>\$ (10)</u>	<u>\$ 622</u>

<sup>(i)</sup> During the three months ended March 31, 2026, \$6 was recorded as an increase to general and administrative expenses on the condensed consolidated statements of net income (loss) and comprehensive income (loss) as a result of adjustments to our expected credit losses. During the three months ended March 31, 2026, \$106 was recorded as a change in allowance for credit loss on non-operating loan on the condensed consolidated statements of net income (loss) and comprehensive income (loss) as a result of adjustments to our allowance for expected credit loss on the High Tide Loan.

<sup>(ii)</sup> During the three months ended March 31, 2025, \$9 was recorded as an increase to general and administrative expenses on the condensed consolidated statements of net income (loss) and comprehensive income (loss) as a result of adjustments to our expected credit losses.

## 5. Property, Plant and Equipment, net

Property, plant and equipment, net consisted of the following:

	As of March 31, 2026	As of December 31, 2025
<b>Cost</b>		
Land	\$ 7,183	\$ 7,245
Building and leasehold improvements	235,368	236,811
Machinery and Equipment	48,635	47,514
Furniture and fixtures	2,717	2,694
Construction in progress	363	1,062
Total Cost	<u>294,266</u>	<u>295,326</u>
Less: accumulated depreciation	(45,297)	(42,639)
Less: accumulated impairment charges	(106,867)	(106,822)
Property, Plant and Equipment, net	<u>\$ 142,102</u>	<u>\$ 145,865</u>

For the three months ended March 31, 2026, depreciation expense on property, plant and equipment was \$3,097. For the three months ended March 31, 2025, depreciation expense on property, plant and equipment was \$2,144. This depreciation expense was included in cost of sales as well as depreciation and amortization in operating expenses on the condensed consolidated statements of net income (loss) and comprehensive income (loss).

As of March 31, 2026 and December 31, 2025, the Company had \$465 and \$760, respectively, of unpaid purchases of property, plant and equipment accrued in accounts payable on the condensed consolidated balance sheets.

## 6. Goodwill and Intangible Assets, net

### (a) Goodwill

Goodwill is comprised of the following items as of March 31, 2026 and December 31, 2025:

	As of March 31, 2026		
	Cost	Accumulated Impairment Charges	Net
Peace Naturals	\$ 1,006	\$ —	\$ 1,006
Cronos GrowCo	64,430	—	64,430
	<u>\$ 65,436</u>	<u>\$ —</u>	<u>\$ 65,436</u>
	As of December 31, 2025		
	Cost	Accumulated Impairment Charges	Net
Peace Naturals	\$ 1,022	\$ —	\$ 1,022
Cronos GrowCo	65,456	—	65,456
	<u>\$ 66,478</u>	<u>\$ —</u>	<u>\$ 66,478</u>

### (b) Intangible assets, net

Intangible assets, net are comprised of the following items as of March 31, 2026 and December 31, 2025:

	As of March 31, 2026			
	Cost	Accumulated amortization	Accumulated impairment charges	Net
Software	\$ 5,599	\$ (4,516)	\$ (74)	\$ 1,009
Health Canada licenses	8,054	(1,725)	(6,329)	—
Israeli codes <sup>(i)</sup>	327	(108)	—	219
Know-how <sup>(ii)</sup>	7,905	(1,384)	—	6,521
Total definite-lived intangible assets	<u>21,885</u>	<u>(7,733)</u>	<u>(6,403)</u>	<u>7,749</u>
Lord Jones <sup>®</sup> brand	64,000	—	(63,200)	800
Trademarks	142	—	(142)	—
Total intangible assets	<u>\$ 86,027</u>	<u>\$ (7,733)</u>	<u>\$ (69,745)</u>	<u>\$ 8,549</u>
	As of December 31, 2025			
	Cost	Accumulated amortization	Accumulated impairment charges	Net
Software	\$ 5,511	\$ (4,391)	\$ (76)	\$ 1,044
Health Canada licenses	8,182	(1,710)	(6,472)	—
Israeli codes <sup>(i)</sup>	323	(103)	—	220
Know-how <sup>(ii)</sup>	8,030	(1,204)	—	6,826
Total definite-lived intangible assets	<u>22,046</u>	<u>(7,408)</u>	<u>(6,548)</u>	<u>8,090</u>
Lord Jones <sup>®</sup> brand	64,000	—	(63,200)	800
Trademarks	142	—	(142)	—
Total intangible assets	<u>\$ 86,188</u>	<u>\$ (7,408)</u>	<u>\$ (69,890)</u>	<u>\$ 8,890</u>

<sup>(i)</sup> The Israeli codes were transferred by non-controlling interests to Cronos Israel in exchange for their equity interests in the Cronos Israel entities.

<sup>(ii)</sup> Know-how was acquired as part of the Cronos GrowCo Transaction. Amortization costs associated with the know-how intangible asset are recorded to cost of sales on the condensed consolidated statements of net income (loss) and comprehensive income (loss).

As of March 31, 2026, the estimated future amortization of definite-lived intangible assets is as follows:

	As of March 31, 2026
Remainder of 2026 (9 months)	\$ 1,163
2027	1,161
2028	886
2029	823
2030	808
Thereafter	2,908
	<u>\$ 7,749</u>

## 7. Restructuring

In the first quarter of 2022, the Company initiated a strategic plan to realign the business around its brands, centralize functions and evaluate the Company's supply chain (the "Realignment"). As part of the Realignment, on February 28, 2022, the Company's Board of Directors (the "Board") approved plans to leverage the Company's strategic partnerships to improve supply chain efficiencies and reduce manufacturing overhead by exiting its production facility in Stayner, Ontario, Canada (the "Peace Naturals Campus"). On February 27, 2023, the Board approved revisions to the Realignment, under which the Company was maintaining select components of its operations at the Peace Naturals Campus, namely distribution warehousing, certain research and development activities and manufacturing of certain of the Company's products. In the third quarter of 2023, the Board approved revisions to the Realignment to wind-down operations at the Company's Winnipeg, Manitoba facility (the "Cronos Fermentation Facility"), list the Cronos Fermentation Facility assets for sale, and implement additional organization-wide cost reductions as the Company continues its Realignment initiatives. On November 26, 2023, the Company entered into an agreement for the sale and leaseback of the Peace Naturals Campus, which was subsequently terminated pursuant to its terms during the second quarter of 2024. The Company plans to continue and expand operations at the Peace Naturals Campus. In the first quarter of 2025, the Company continued its Realignment initiatives to transform its IT infrastructure and finance departments to drive long-term cost efficiencies, improve cross-functional collaboration, and support global scalability. These actions included leadership transitions, consolidation of certain roles, and assessment of, and investment in, critical IT infrastructure. The Realignment initiatives are intended to position the Company to drive profitable and sustainable growth over time.

During the three months ended March 31, 2026, the Company incurred \$484 of restructuring costs in connection with the Realignment. During the three months ended March 31, 2025, the Company incurred \$555 of restructuring costs in connection with the Realignment. Charges related thereto include employee-related costs such as severance and other termination benefits, as well as IT infrastructure and finance transformation costs associated with the Realignment.

The following tables summarize the Company's restructuring activity for the three months ended March 31, 2026 and three months ended March 31, 2025:

	Accrual as of December 31, 2025	Expenses	Payments/Write-offs	Accrual as of March 31, 2026
Employee Termination Benefits	\$ 104	\$ —	\$ (104)	\$ —
Other Restructuring Costs	211	484	(459)	236
Total	<u>\$ 315</u>	<u>\$ 484</u>	<u>\$ (563)</u>	<u>\$ 236</u>

	Accrual as of December 31, 2024	Expenses	Payments/Write-offs	Accrual as of March 31, 2025
Employee Termination Benefits	\$ —	\$ 257	\$ —	\$ 257
Other Restructuring Costs	—	298	(115)	183
Total	<u>\$ —</u>	<u>\$ 555</u>	<u>\$ (115)</u>	<u>\$ 440</u>

## 8. Share-based Compensation

### (a) Share-based award plans

The Company has granted stock options, restricted share units (“RSUs”) and deferred share units (“DSUs”) to employees and non-employee directors under the 2020 Omnibus Equity Incentive Plan dated March 29, 2020 (the “2020 Omnibus Plan”) and the DSU Plan dated August 10, 2019 (the “DSU Plan”).

The following table summarizes the total share-based compensation expense associated with the Company’s stock options, RSUs and DSUs for the three months ended March 31, 2026 and 2025:

	Three months ended March 31,	
	2026	2025
Stock options	\$ 18	\$ 74
RSUs	1,338	2,014
DSUs	(43)	—
Total share-based compensation	<u>\$ 1,313</u>	<u>\$ 2,088</u>

Share-based compensation for the three months ended March 31, 2026 included a gain of \$43 associated with the Company’s DSUs. For the three months ended March 31, 2025, a gain of \$117 was included in revaluation of financial instruments in the Company’s condensed consolidated statements of net income (loss) and comprehensive income (loss), related to the revaluation of DSUs.

### (b) Stock options

Vesting conditions for grants of options are determined by the Compensation Committee of the Board. The typical vesting for stock option grants made under the 2020 Omnibus Plan is annual vesting over three to five years with a maximum term of ten years. The 2020 Omnibus Plan does not authorize grants of options with an exercise price below fair market value.

The following is a summary of the changes in stock options for the three months ended March 31, 2026 and 2025:

	Weighted-average exercise price (C\$) <sup>(i)</sup>	Number of options	Weighted-average remaining contractual term (years)
Balance as of December 31, 2025	\$ 5.68	588,317	2.48
Balance as of March 31, 2026	\$ 5.68	588,317	2.24
Exercisable as of March 31, 2026	\$ 5.92	541,237	2.09

	Weighted-average exercise price (C\$) <sup>(i)</sup>	Number of options	Weighted-average remaining contractual term (years)
Balance as of December 31, 2024	\$ 5.63	717,264	3.65
Balance as of March 31, 2025	\$ 5.63	717,264	3.40
Exercisable as of March 31, 2025	\$ 6.20	573,253	3.04

<sup>(i)</sup> The weighted-average exercise price reflects the conversion of foreign currency-denominated stock options translated into C\$ using the average foreign exchange rate as of the date of issuance.

The following table summarizes stock options outstanding:

	As of March 31, 2026	As of December 31, 2025
2020 Omnibus Plan	588,317	588,317
Total stock options outstanding	<u>588,317</u>	<u>588,317</u>

**(c) Restricted share units**

The following is a summary of the changes in RSUs for the three months ended March 31, 2026 and 2025:

	Weighted-average grant date fair value (C\$) <sup>(ii)</sup>	Number of RSUs
Balance as of December 31, 2025	\$ 2.85	5,385,106
Granted <sup>(i)</sup>	3.49	1,507,369
Vested and issued	2.66	(1,635,895)
Balance as of March 31, 2026	<u>\$ 3.05</u>	<u>5,256,580</u>
	Weighted-average grant date fair value (C\$) <sup>(ii)</sup>	Number of RSUs
Balance as of December 31, 2024	\$ 3.50	8,382,213
Granted <sup>(i)</sup>	2.73	1,775,668
Vested and issued	4.00	(4,459,280)
Cancellation and forfeitures	3.47	(134,999)
Balance as of March 31, 2025	<u>\$ 2.86</u>	<u>5,563,602</u>

<sup>(i)</sup> RSUs granted in the period vest annually in equal installments over a three-year period from the grant date. All RSUs are subject to such holder's continued employment through each vesting date. The vesting of such RSUs is not subject to the achievement of any performance criteria.

<sup>(ii)</sup> The weighted-average grant date fair value reflects the conversion of foreign currency-denominated RSUs translated into C\$ using the foreign exchange rate as of the date of issuance.

**(d) Deferred share units**

The following is a summary of the changes in DSUs for the three months ended March 31, 2026 and 2025:

	Financial liability	Number of DSUs
Balance as of December 31, 2025	\$ 1,993	758,499
Gain on revaluation	(43)	—
Foreign exchange effect	(31)	—
Balance as of March 31, 2026	<u>\$ 1,919</u>	<u>758,499</u>
	Financial liability	Number of DSUs
Balance as of December 31, 2024	\$ 1,129	560,261
Gain on revaluation	(117)	—
Foreign exchange effect	(3)	—
Balance as of March 31, 2025	<u>\$ 1,009</u>	<u>560,261</u>

**9. Share Repurchase Program**

On May 7, 2025, the Board authorized a share repurchase program of up to \$50,000. The repurchase program commenced on May 14, 2025 and is expected to terminate on May 13, 2026, unless earlier terminated. Repurchases under the program may be made from time to time, either through open market purchases at then-prevailing market prices through the facilities of the Nasdaq or other U.S. published markets, privately negotiated transactions or otherwise. Open market repurchases will not exceed 19,270,951 common shares, being 5% of the outstanding common shares as of May 7, 2025. The timing and amount of repurchases are subject to market conditions, compliance with applicable laws and regulations and any other factors management of the Company may deem relevant. The program does not obligate Cronos to acquire any specific dollar amount or number of common shares and may be modified, suspended, or discontinued at any time.

During the three months ended March 31, 2026, the Company repurchased 6,365,700 common shares for \$16,730, inclusive of commissions and excise taxes. All common shares repurchased under this program were retired and cancelled upon settlement. As a result, the repurchased common shares were removed from issued and outstanding share capital, reducing the number of common shares outstanding. The value of the retired common shares was charged against share capital and additional paid-in capital. The Company funded the repurchases using available cash resources.

Subsequent to March 31, 2026, the Board authorized a new share repurchase program intended to succeed the Company's existing share repurchase program. See Note 15, "Subsequent Events."

## **10. Commitments and Contingencies**

### **(a) Commitments**

There have been no material changes in the information regarding commitments as disclosed in the Company's Annual Report.

### **(b) Contingencies**

The Company is subject to various legal proceedings in the ordinary course of its business and in connection with its marketing, distribution and sale of its products. Many of these legal proceedings are in the early stages of litigation and seek damages that are unspecified or not quantified. Although the outcome of these matters cannot be predicted with certainty, the Company does not believe these legal proceedings, individually or in the aggregate, will have a material adverse effect on its consolidated financial condition but could be material to its results of operations for any particular reporting period depending, in part, on its results for that period.

#### ***(i) Class action complaints relating to restatement of 2019 interim financial statements***

On March 11 and 12, 2020, two alleged shareholders of the Company separately filed two putative class action complaints in the U.S. District Court for the Eastern District of New York against the Company and its Chief Executive Officer and former Chief Financial Officer. The court consolidated the cases, and the consolidated amended complaint alleges violations of Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5, promulgated thereunder, against all defendants, and Section 20(a) of the Exchange Act against the individual defendants. The consolidated amended complaint generally alleges that certain of the Company's prior public statements about revenue and internal controls were incorrect based on the Company's disclosures relating to the Audit Committee of the Board of Directors' review of the appropriateness of revenue recognized in connection with certain bulk resin purchases and sales of products through the wholesale channel. The consolidated amended complaint does not quantify a damage request. The defendants moved to dismiss on February 8, 2021. On November 17, 2023, the court entered an order granting the motion and dismissed the case with prejudice. On December 1, 2023, the shareholder plaintiffs sought reconsideration of the dismissal, requesting that the court instead dismiss the action without prejudice and permit the plaintiffs to seek leave to further amend the complaint. On December 3, 2024, the court issued an opinion and order granting the plaintiffs' motion for reconsideration, and on January 10, 2025, the plaintiffs filed a second amended class action complaint, which the defendants moved to dismiss. On May 30, 2025, the parties jointly informed the court that they had reached an agreement-in-principle to settle the action and the court then stayed all deadlines in the action. On December 2, 2025, the plaintiffs moved for preliminary approval of the proposed settlement. The proposed settlement includes a payment of \$10 million to be distributed, after fees and expenses, to members of the settlement class and a release by class members of their claims, including in the New York and Ontario actions, based on shares acquired on the Nasdaq or any other public U.S. market for trading stocks during the class period. The release would apply to claims relating to shares acquired on the Nasdaq or any other public U.S. market during the class period but would not resolve claims of persons who acquired shares on the TSX. The proposed settlement remains subject to preliminary and final approval by the court and certain other conditions not within the Company's control. One of the shareholder plaintiffs in the Ontario action has informed the court that he intends to oppose approval of the settlement.

On June 3, 2020, an alleged shareholder filed a Statement of Claim, as amended on August 12, 2020, in the Ontario Superior Court of Justice in Toronto, Ontario, Canada, seeking, among other things, an order certifying the action as a class action on behalf of a putative class of shareholders and damages of an unspecified amount. The Amended Statement of Claim named (i) the Company, (ii) its Chief Executive Officer, (iii) former Chief Financial Officer, (iv) former Chief Financial Officer and Chief Commercial Officer, and (v) current and former members of the Board as defendants and alleged breaches of the Ontario Securities Act, oppression under the Ontario Business Corporations Act and common law misrepresentation. The Amended Statement of Claim generally alleged that certain of the Company's prior public statements about revenue and internal controls were misrepresentations based on the Company's March 2, 2020 disclosure that the Audit Committee of the Board of Directors was conducting a review of the appropriateness of revenue recognized in connection with certain bulk resin purchases and sales of products through the wholesale channel, and the Company's subsequent restatement. The Amended Statement of Claim did not quantify a damage request. On June 28, 2021, the Court dismissed motions brought by the plaintiff for leave to commence a claim for misrepresentation under the Ontario Securities Act and for certification of the action as a class action. The plaintiff appealed the Court's dismissal of the motions only with respect to the Company, the Chief Executive Officer, and the now former Chief Financial Officer; the remaining defendants were dismissed from the matter with prejudice and the Company and all individual defendants agreed not to seek costs from the plaintiff in connection with the dismissal of the motions. On September 26, 2022, the Court of Appeal for Ontario reversed the Superior Court's dismissal of the leave and certification motions, granted the plaintiff leave to proceed to bring a claim for misrepresentation under the Ontario Securities Act, and remitted the certification motion back to the Superior Court. On April 11, 2023, the plaintiff filed a Fresh as Amended Statement of Claim, which reflected the dismissal of the defendants for which an appeal was not sought, the removal of the claims for oppression under the Ontario Business Corporations Act and common law misrepresentation, as well as shortening the proposed class period. On October 10, 2023, the Superior Court certified the action on behalf of a class of persons or entities who acquired shares in the secondary market, including on the TSX and Nasdaq, during the period from May 9, 2019 to March 30, 2020, other than certain excluded persons.

***(ii) Regulatory reviews relating to restatements***

On October 24, 2022, the Company announced regulatory settlements as follows:

***SEC Settlement***

On October 24, 2022, the SEC issued an Order Instituting Cease-and-Desist Proceedings Pursuant to Section 8(a) of the Securities Act of 1933, as amended (the "Securities Act") and Section 21(c) of the Exchange Act, Making Findings, and Imposing a Cease-and-Desist Order (the "Settlement Order") resolving the restatements of our 2019 and 2021 interim financial statements (the "Restatements").

The Company agreed to settle with the SEC, without admitting or denying the allegations described in the Settlement Order. The Settlement Order fully and finally disposed of the investigation of the Company by the SEC into the Restatements without the payment of any civil penalty or other amount.

The Settlement Order required the Company to cease and desist from committing or causing any violations and any future violations of Section 17(a) of the Securities Act, Sections 10(b), 13(a), 13(b)(2)(B) of the Exchange Act and Rules 10b-5, 13a-13, 13a-15(a), 13a-16 and 12b-20 thereunder.

As a result of the Settlement Order, the Company (i) lost its status as a well-known seasoned issuer for a period of three years, (ii) is unable to rely on the private offering exemptions provided by Regulations A and D under the Securities Act for a period of five years and (iii) was unable to rely on the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995 for a period of three years.

***OSC Settlement***

On October 24, 2022, the Ontario Capital Markets Tribunal approved a settlement agreement (the "Settlement Agreement") between the Company and the staff of the Ontario Securities Commission (the "OSC"), resolving the Restatements.

Pursuant to the terms of the Settlement Agreement, which fully and finally disposed the investigation of the Company by the OSC, Cronos agreed to pay a total of C\$1.34 million to fully settle the matter, and acknowledged that it had failed to comply with the requirement under Section 77 of the Ontario Securities Act to file interim financial reports in the manner set out therein and had acted in a manner contrary to the public interest.

***(iii) Litigation and regulatory inquiries relating to marketing, distribution, import and sale of products***

On April 17, 2023, a group of plaintiffs led by the Green Leaf (Ale Yarak) political party filed a Statement of Claim and Request for Approval of a Class Action on behalf of a purported class of Israeli cannabis consumers in the District Court of Tel Aviv, Israel, against 26 cannabis-related parties, including three Cronos Israel entities. The Statement of Claim alleges that the defendants violated certain laws relating to the marketing of medical cannabis products, including marketing to unlicensed cannabis consumers. The lawsuit seeks a total of ILS 420 million. The Cronos Israel defendants moved to dismiss the action on August 13, 2023. The court granted the motion (and similar motions filed by other defendants) on May 16, 2024, dismissing the plaintiffs' petition for class certification without prejudice and their individual claims with prejudice, and ordering the plaintiffs to pay ILS 10 thousand to each of the defendants for costs. On July 14, 2024, the plaintiffs appealed to the Supreme Court of Israel seeking to overturn both the dismissal of plaintiffs' individual claims and the award of costs. The appeal is pending.

On January 18, 2024, the Company was notified that the Trade Levies Commissioner of the Israel Ministry of Economy and Industry initiated a public investigation of alleged dumping of medical cannabis imports from Canada into Israel. On July 9, 2024, the Commissioner announced a preliminary determination proposing to impose an anti-dumping duty on Canadian licensed producers. Under the proposal, the Company would have been subject to a proposed duty of 369%. The Commissioner determined not to impose a provisional duty at that time pending the conclusion of the Ministry's investigation. The Company responded to requests for information from the Ministry. On November 10, 2024, the Trade Levies Commissioner published final findings under which the Company would be subject to a proposed duty of 175%. The Commissioner's findings were then evaluated by an ad hoc advisory committee. On December 12, 2024, the Minister of Economy announced a conflict of interest and recused himself from the evaluation of whether to impose a duty. On April 10, 2025, notwithstanding the previous recusal, the Minister of Finance released a memorandum opposing the imposition of the duty, which acted as a veto of the Minister of Economy's approval. On April 29, 2025, the Ministry of Justice issued a memorandum sustaining the Minister of Finance's veto. A provisional duty is not being imposed at this time. The Company cannot predict further proceedings or determinations of the Ministers of Economy or Finance, or the Finance Committee or the Knesset and cannot predict whether a duty will ultimately be imposed on its products.

On July 25, 2024, a group of cannabis cultivators filed an administrative petition in the District Court of Jerusalem, Israel, against the Trade Levies Commissioner and certain Israeli and Canadian businesses. The administrative petition sought a court order requiring the Trade Levies Commissioner to impose a temporary duty on cannabis imported from Canada during the pendency of the investigation until the date on which a final determination is made by the Ministry of Economy whether to impose a duty. On September 9, 2024, the Company filed a motion to join the litigation; the court granted the Company's motion on September 23, 2024. On February 6, 2025, the court dismissed the administrative petition. On June 12, 2025, a group of cannabis cultivators initiated a second administrative proceeding against the government and certain importers, including the Company's subsidiaries in Israel, asking the court to declare the Minister of Finance's veto void and order the Minister of Economy to impose an anti-dumping duty. On June 26, 2025, the cultivators moved the court for an interim injunction, which the court denied on July 13, 2025. On December 18, 2025, the court dismissed the administrative petition. The deadline for petitioners to appeal was February 16, 2026.

We expect litigation and regulatory proceedings relating to the marketing, distribution, import and sale of our products to increase.

## 11. Segment Information

Segment reporting is prepared on the same basis that the CODM manages the business, makes operating decisions and assesses the Company's performance. The CODM is the Company's Chief Executive Officer. The Company operates as a single segment with the purpose of providing high-quality cannabis products to adult-use, wholesale, and medical market customers globally. The consolidated results are regularly reviewed by the CODM to assess the performance of the Company's single segment operations and make decisions regarding the allocation of resources. The CODM reviews adjusted earnings (loss) before interest, tax, depreciation and amortization ("Adjusted EBITDA") as the measure of segment profit or loss to evaluate performance of and allocate resources for its reportable segment. Adjusted EBITDA is defined as earnings before interest, tax, depreciation, and non-cash items and items that do not reflect management's assessment of ongoing business performance. The CODM believes Adjusted EBITDA provides useful insight into underlying business trends and results and facilitates comparison of period-over-period results. In addition, certain significant expenses are regularly reviewed by the CODM and considered for business decisions and allocation of resources; these significant expenses include: sales and marketing, research and development, general and administrative, depreciation and amortization, and share-based compensation expense, which are presented within operating expenses on the Company's condensed consolidated statements of net income (loss) and comprehensive income (loss). Furthermore, the CODM regularly reviews total cash and short-term investments to aid in capital allocation decisions.

The table below sets forth consolidated Adjusted EBITDA and significant expenses for our single segment:

	<b>Three months ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
Adjusted EBITDA	\$ 5,079	\$ 2,289
Significant expenses:		
Sales and marketing	5,615	4,565
Research and development	1,413	793
General and administrative, excluding transaction costs	10,777	9,269
Share-based compensation	1,313	2,088
Depreciation and amortization	425	496
Total significant expenses	<u>19,543</u>	<u>17,211</u>
Restructuring costs	484	555
Transaction costs	959	40
Total operating expense	<u>\$ 20,986</u>	<u>\$ 17,806</u>

The following tables set forth a reconciliation of net income as determined in accordance with U.S. GAAP to Adjusted EBITDA for the periods indicated:

	<b>Three months ended March 31, 2026</b>
Net income	\$ 15,711
Interest income, net	(8,853)
Income tax provision	2,428
Depreciation and amortization	3,727
EBITDA	<u>13,013</u>
Loss on revaluation of financial instruments <sup>(i)</sup>	2,484
Foreign currency transaction gain	(13,699)
Transaction costs <sup>(ii)</sup>	959
Other, net <sup>(iii)</sup>	(10)
Restructuring costs <sup>(iv)</sup>	484
Share-based compensation <sup>(v)</sup>	1,313
Restatement litigation costs <sup>(vi)</sup>	411
Israel Ministry of Economy and Industry dumping inquiry expense <sup>(vii)</sup>	18
Change in allowance for credit loss on non-operating loan <sup>(viii)</sup>	106
Adjusted EBITDA	<u>\$ 5,079</u>

	<b>Three months ended March 31, 2025</b>
Net income	\$ 7,723
Interest income, net	(9,665)
Income tax benefit	(455)
Depreciation and amortization	2,840
EBITDA	<u>443</u>
Gain on revaluation of financial instruments <sup>(i)</sup>	(49)
Foreign currency transaction gain	(1,583)
Transaction costs <sup>(ii)</sup>	40
Other, net <sup>(iii)</sup>	(43)
Restructuring costs <sup>(iv)</sup>	555
Share-based compensation <sup>(v)</sup>	2,088
Restatement litigation costs <sup>(vi)</sup>	47
Inventory step-up recorded to cost of sales <sup>(ix)</sup>	517
Israel Ministry of Economy and Industry dumping inquiry expense <sup>(vii)</sup>	274
Adjusted EBITDA	<u>\$ 2,289</u>

<sup>(i)</sup> For the three months ended March 31, 2026, the loss on revaluation of financial instruments was driven by a loss related to the Company's High Tide Warrant and the Company's equity securities in Vitura. For the three months ended March 31, 2025, the gain on revaluation of financial instruments related primarily to the revaluation of the Company's DSU liability, partially offset by a loss on the Company's equity securities in Vitura.

<sup>(ii)</sup> For the three months ended March 31, 2026, transaction costs represented fees related to the pending acquisition of CanAdelaar B.V. For the three months ended March 31, 2025, transaction costs represented legal, financial and other advisory fees and expenses incurred in connection with the Cronos GrowCo Transaction. These costs are included in general and administrative expenses on the condensed consolidated statements of net income (loss) and comprehensive income (loss).

<sup>(iii)</sup> For the three months ended March 31, 2026, other, net related to rental income. For the three months ended March 31, 2025, other, net related to (gain) loss on disposal of assets and (gain) loss on revaluation of derivative liabilities.

- (iv) For the three months ended March 31, 2026 and 2025, restructuring costs related to employee-related severance costs and IT infrastructure and finance transformation costs associated with the Realignment, as described in Note 7 “Restructuring.”
- (v) For the three months ended March 31, 2026, share-based compensation related to the expenses of share-based compensation awarded to employees and DSUs issued to our Board of Directors, each under the Company’s share-based award plans, as described in Note 8 “Share-based Compensation.” For the three months ended March 31, 2025, share-based compensation related to the expenses of share-based compensation awarded to employees under the Company’s share-based award plans, as described in Note 8 “Share-based Compensation.”
- (vi) For the three months ended March 31, 2026 and 2025, restatement litigation costs included legal costs incurred defending shareholder class action complaints brought against the Company as a result of the 2019 restatement.
- (vii) For the three months ended March 31, 2026 and 2025, Israel Ministry of Economy and Industry dumping inquiry expense included expenditures relating to the regulatory inquiry about alleged dumping of medical cannabis products in Israel and related litigation and external relations expenses.
- (viii) For the three months ended March 31, 2026, change in allowance for credit loss on non-operating loan represents the allowance recognized on the High Tide loan receivable, as described in Note 4, “Loans Receivable, net.”
- (ix) For the three months ended March 31, 2025, inventory step-up recorded to cost of sales represents the portion of the inventory step-up from the Cronos GrowCo Transaction that was recorded through the condensed consolidated statements of net income (loss) and comprehensive income (loss).

The following tables present the Company’s revenue by major product category for our single segment:

	Three months ended March 31,	
	2026	2025
Cannabis flower	\$ 33,734	\$ 23,344
Cannabis extracts	11,457	8,608
Other	19	310
Net revenue	<u>\$ 45,210</u>	<u>\$ 32,262</u>

Net revenue attributed to a geographic region based on the location of the customer was as follows:

	Three months ended March 31,	
	2026	2025
Canada	\$ 25,351	\$ 20,130
Israel	14,151	9,229
Other countries	5,708	2,903
Net revenue	<u>\$ 45,210</u>	<u>\$ 32,262</u>

The table below sets forth total cash and cash equivalents and short-term investments for our single segment:

	As of March 31, 2026	As of December 31, 2025
Total cash and cash equivalents and short-term investments	<u>\$ 821,856</u>	<u>\$ 831,794</u>

Property, plant and equipment, net were physically located in the following geographic regions:

	As of March 31, 2026	As of December 31, 2025
Canada	\$ 125,776	\$ 129,352
Israel	16,326	16,513
Total	<u>\$ 142,102</u>	<u>\$ 145,865</u>

Intangibles, net were physically located in the following geographic regions:

	As of March 31, 2026	As of December 31, 2025
Canada	\$ 8,219	\$ 8,551
Israel	330	339
Total	<u>\$ 8,549</u>	<u>\$ 8,890</u>

For additions to our property, plant and equipment, net and intangibles, net for the three months ended March 31, 2026 and March 31, 2025, please see Note 5 “Property, Plant and Equipment, net” and the condensed consolidated statements of cash flows.

## 12. Income per Share

Basic and diluted income (loss) per share are calculated as follows (in thousands, except share and per share amounts):

	Three months ended March 31,	
	2026	2025
<b>Basic income per share computation</b>		
Net income attributable to the shareholders of Cronos Group	\$ 13,752	\$ 6,122
Weighted-average number of common shares outstanding for computation for basic income per share	379,374,109	382,958,797
Basic income per share	<u>\$ 0.04</u>	<u>\$ 0.02</u>
<b>Diluted income per share computation</b>		
Net income attributable to the shareholders of Cronos Group	\$ 13,752	\$ 6,122
Weighted-average number of common shares outstanding used in the computation of basic income per share	379,374,109	382,958,797
Dilutive effect of stock options	4,223	—
Dilutive effect of RSUs	2,310,041	3,823,127
Dilutive effect of Top-up Rights – market price	110,915	181,761
Weighted-average number of common shares for computation of diluted income from continuing operations per share	381,799,288	386,963,685
Diluted income per share	<u>\$ 0.04</u>	<u>\$ 0.02</u>

For the three months ended March 31, 2026 and 2025, total securities of 1,288,578 and 18,273,597, respectively, were not included in the computation of diluted shares outstanding because the effect would be anti-dilutive.

## 13. Fair Value Measurements

The Company complies with ASC 820 *Fair Value Measurements* for its financial assets and liabilities that are re-measured and reported at fair value at each reporting period, and non-financial assets and liabilities that are re-measured and reported at fair value at least annually. In general, fair values are determined by:

- Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs utilize data points that are observable such as quoted prices, interest rates and yield curves.
- Level 3 inputs are unobservable data points for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability.

The following tables present information about the Company's assets and liabilities that are measured at fair value on a recurring basis:

	March 31, 2026			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 821,856	\$ —	\$ —	\$ 821,856
Other investments <sup>(i)(ii)</sup>	1,447	3,752	—	5,199

  

	December 31, 2025			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 791,794	\$ —	\$ —	\$ 791,794
Other investments <sup>(i)(ii)</sup>	2,253	5,411	—	7,664

<sup>(i)</sup> As of March 31, 2026 and December 31, 2025, the Company's influence on Vitura is deemed non-significant and the investment is considered an equity security with a readily determinable fair value. See Note 3 "Investments" for further information.

<sup>(ii)</sup> As of March 31, 2026 and December 31, 2025, the fair value of the Company's warrants in High Tide is estimated using a Black-Scholes model with key inputs including share price and volatility of High Tide common shares, the risk-free rate and the remaining term of the High Tide Warrant. See Note 3 "Investments" for further information.

There were no transfers between fair value categories during the periods presented.

## 14. Related Party Transactions

### (a) Vendor Agreement

In November 2022, the Company entered into an agreement with an external vendor whereby the vendor would provide certain manufacturing services to the Company. The vendor then subcontracted out a portion of those services to another company whose chief executive officer is an immediate family member of an executive of the Company. In November 2023, the Company negotiated a direct contract with the related-party vendor. In April 2026, subsequent to the period end, this vendor restructured its management team and, as a result, the vendor no longer meets the definition of a related party to the Company.

	Three months ended March 31,	
	2026	2025
Related party – purchases of products and services	\$ 557	\$ 189

The Company had outstanding accounts payable related to the agreement of \$248 and \$208 as of March 31, 2026 and December 31, 2025, respectively.

### (b) Consulting Agreement

In connection with the Cronos GrowCo Transaction, Cronos GrowCo entered into a consulting services agreement with a consulting firm managed by a member of the group of investors holding the remaining 50% ownership of Cronos GrowCo, pursuant to which the consulting firm provides management services to Cronos GrowCo. During the three months ended March 31, 2026 and 2025, the Company incurred \$437 and \$209 of expense under this agreement. As of both March 31, 2026 and December 31, 2025, the Company had no outstanding payables related to this agreement.

## **15. Subsequent Events**

### **Share Repurchase Authorization**

On May 8, 2026, the Board unanimously authorized a share repurchase program of up to \$50,000, which is intended to succeed the Company's existing share repurchase program upon its scheduled expiration on May 13, 2026. The share repurchase program is expected to commence on May 14, 2026, and terminate on May 13, 2027, unless earlier terminated. Repurchases under the program may be made from time to time, either through open market purchases at then-prevailing market prices through the facilities of the Nasdaq Global Market or other U.S. published markets, privately negotiated transactions or otherwise. Open market repurchases will be limited to 5% of the number of common shares outstanding as of the applicable measurement time, the maximum amount permitted by applicable Canadian securities laws. The timing and amount of repurchases are subject to market conditions, compliance with applicable laws and regulations and any other factors management of the Company may deem relevant. The program does not obligate Cronos to acquire any specific dollar amount or number of shares and may be modified, suspended, or discontinued at any time.

The Company intends to fund repurchases using available cash resources. All shares repurchased under this program will be retired and cancelled upon settlement. As a result, the repurchased shares will be removed from issued and outstanding share capital, reducing the number of shares outstanding. The value of the retired shares will be charged against share capital and additional paid-in capital and, if necessary, to retained earnings, in accordance with ASC 505-30.

### **Pending Acquisition**

On December 9, 2025, the Company entered into a definitive share sale and purchase agreement (the "SPA") to acquire all of the issued and outstanding shares of CanAdelaar, one of ten licensed cannabis producers participating in the Dutch Controlled Cannabis Supply Chain Experiment.

On May 8, 2026, the Company entered into an amendment to the SPA pursuant to which the parties agreed to extend the Long Stop Date (as defined in the SPA) for closing of the acquisition from June 9, 2026 to September 9, 2026. The extension provides additional time to satisfy certain closing conditions, including obtaining required regulatory clearances in the Netherlands, receipt of confirmations relating to CanAdelaar's licenses and completion of the Bibob review (a background check conducted by Dutch authorities). No other material changes were made to the terms of the transaction.

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## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis should be read together with other information, including the Company's condensed consolidated financial statements and the related notes to those statements, included in Part I, Item 1 of this Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2026 (this "Quarterly Report"), consolidated financial statements appearing in the Company's Annual Report on Form 10-K for the year ended December 31, 2025 (the "Annual Report"), Part I, Item 1A, Risk Factors, of the Annual Report and Part II, Item 1A, Risk Factors, of this Quarterly Report.

### Forward-Looking Statements

This Quarterly Report, the documents incorporated into this Quarterly Report by reference, other reports we file with, or furnish to, the United States ("U.S.") Securities and Exchange Commission ("SEC") and other regulatory agencies, and statements by our directors, officers, other employees and other persons authorized to speak on our behalf contain information that may constitute forward-looking information and forward-looking statements within the meaning of applicable U.S. and Canadian securities laws and court decisions (collectively, "Forward-Looking Statements"), which are based upon our current internal expectations, estimates, projections, assumptions and beliefs. Information that is not clearly historical in nature may constitute Forward-Looking Statements. In some cases, Forward-Looking Statements can be identified by the use of forward-looking terminology, such as "expect," "likely," "may," "will," "should," "intend," "anticipate," "potential," "proposed," "estimate," "believe," "plan" and other similar words, expressions and phrases, including negative and grammatical variations thereof, or statements that certain events or conditions "may" or "will" happen, or by discussion of strategy. Forward-Looking Statements include estimates, plans, expectations, opinions, forecasts, projections, targets, guidance or other statements that are not statements of historical fact.

Forward-Looking Statements include, but are not limited to, statements with respect to:

- the ongoing impact of the public investigation into Canadian licensed producers of alleged dumping of medical cannabis imports from Canada into Israel by the Trade Levies Commissioner of the Israel Ministry of Economy and Industry (the "Anti-Dumping Investigation") and the proposed anti-dumping duty to which the Company's imports would be subject;
- expectations related to the conflict involving the United States, Israel, Hamas, Hezbollah, Houthis, Iran, Iran's proxies and other stakeholders in the region (the "Middle East Conflict") and its impact on our operations in Israel, the supply of product in the market and the demand for product by medical patients in Israel, as well as any regional or global escalations and their impact to global commerce and stability;
- expectations related to markets outside of Canada and Israel, and our ability to successfully distribute the PEACE NATURALS® brand in those markets;
- expectations related to the impact of our decision to exit our U.S. hemp-derived cannabinoid product operations and any future plans to re-enter the U.S. market;
- the ongoing impact of our announced realignment (inclusive of any revisions thereto, the "Realignment") and any progress, challenges and effects related thereto as well as changes in strategy, metrics, investments, reporting structure, costs, operating expenses, employee turnover and other changes with respect thereto;
- our expectations as to the use and expansion of our facility in Stayner, Ontario (the "Peace Naturals Campus");
- our ability to acquire raw materials from suppliers, including Cronos Growing Company Inc. ("Cronos GrowCo"), and the costs and timing associated therewith;
- expectations regarding the potential success of, and the costs and benefits associated with, our joint ventures, strategic alliances and equity investments;
- expectations related to transaction by which we obtained majority control of the board of directors of Cronos GrowCo (the "Cronos GrowCo Transaction"), which qualified as a business combination under Accounting Standards Codification ("ASC") 805, and the expansion of Cronos GrowCo's purpose-built cultivation and processing facilities and any additional supply or growth opportunities (including in the wholesale market) provided thereby;
- expectations related to the transaction by which we, as lender, obtained junior secured convertible debt (the "High Tide Loan") from High Tide Inc. ("High Tide"), as borrower, and a warrant (the "High Tide Warrant") to purchase common shares of High Tide, the performance of the High Tide Loan and the High Tide Warrant, and High Tide's ability to repay the High Tide Loan;
- expectations related to our agreement to acquire CanAdelaar B.V. ("CanAdelaar"), including the timing and completion of the transaction, and the anticipated costs, benefits and integration matters associated therewith and the performance of the business from and following closing;
- expectations related to the impact of the renewed share repurchase program that was authorized on May 8, 2026, including the timing and amount of repurchases;
- our ability or plans to identify, develop, commercialize or expand our technology and research and development ("R&D") initiatives in cannabinoids, or the success thereof;
- expectations regarding revenues, expenses, gross margins and capital expenditures;

- expectations regarding our future production and manufacturing strategy and operations, the costs and timing associated therewith and the receipt of applicable production and sale licenses;
- the ongoing impact of the legalization of additional cannabis product types and forms for adult-use in Canada, including federal, provincial, territorial and municipal regulations pertaining thereto, the related timing and impact thereof and our intentions to participate in such markets;
- the legalization of the use of cannabis for medical or adult-use in jurisdictions outside of Canada, the related timing and impact thereof and our intentions to participate in such markets, if, when and to the extent such use is legalized;
- the grant, renewal, withdrawal, suspension, delay and impact of any license or supplemental license to conduct activities with cannabis or any amendments thereof;
- our ability to successfully create, launch and scale brands and cannabis products;
- expectations related to the differentiation of our products, including through the utilization of rare cannabinoids;
- the benefits, viability, safety, efficacy, dosing and social acceptance of cannabis, including CBD and other cannabinoids;
- laws and regulations and any amendments thereto applicable to our business and the impact thereof, including uncertainty regarding the application of U.S. state and federal law to cannabis and U.S. hemp (including CBD and other U.S. hemp-derived cannabinoids) products and the scope of any regulations by the U.S. Department of Health and Human Services (“HHS”), U.S. Food and Drug Administration (the “FDA”), the U.S. Drug Enforcement Administration (the “DEA”), the U.S. Federal Trade Commission (the “FTC”), the U.S. Patent and Trademark Office (the “PTO”) and any state equivalent regulatory agencies over cannabis and U.S. hemp (including CBD and other U.S. hemp-derived cannabinoids) products, including the final order issued by the U.S. Department of Justice (the “DOJ”) in April 2026, which moved certain categories of medical marijuana products from Schedule I to Schedule III of the U.S. Controlled Substances Act and any future actions that may be taken or considered by the DOJ or other government agencies;
- the anticipated benefits and impact of Altria Group, Inc.’s investment in the Company (the “Altria Investment”), pursuant to a subscription agreement dated December 7, 2018;
- expectations regarding the implementation and effectiveness of key personnel changes;
- expectations regarding business combinations and dispositions and the anticipated benefits therefrom;
- expectations of the amount or frequency of impairment losses, including as a result of the write-down of intangible assets, including goodwill;
- the impact of the ongoing military conflict between Russia and Ukraine (and resulting sanctions) on our business, financial condition and results of operations or cash flows;
- our compliance with the terms of the settlement (the “Settlement Order”) with the SEC and the settlement agreement (the “Settlement Agreement”) with the Ontario Securities Commission (the “OSC”); and
- the impact of the loss of our ability to rely on private offering exemptions under Regulation A and Regulation D of the Securities Act of 1933, as amended (the “Securities Act”), as a result of the Settlement Order.

Certain of the Forward-Looking Statements contained herein concerning the industries in which we conduct our business are based on estimates prepared by us using data from publicly available governmental sources, market research, industry analysis and on assumptions based on data and knowledge of these industries, which we believe to be reasonable. However, although generally indicative of relative market positions, market shares and performance characteristics, such data is inherently imprecise. The industries in which we conduct our business involve risks and uncertainties that are subject to change based on various factors, which are described further below.

The Forward-Looking Statements contained herein are based upon certain material assumptions that were applied in drawing a conclusion or making a forecast or projection, including: (i) our ability to effectively navigate developments related to the Anti-Dumping Investigation and the proposed anti-dumping duty to which the Company's imports would be subject and its impact on our operations in Israel; (ii) our ability to effectively navigate developments related to the Middle East Conflict and its impact on our employees and operations in Israel, the supply of product in the market and demand for product by medical patients in Israel; (iii) our ability to efficiently and effectively distribute our PEACE NATURALS® brand in markets outside of Canada and Israel; (iv) expectations related to the impact of our decision to exit our U.S. hemp-derived cannabinoid product operations; (v) our ability to realize the expected cost-savings, efficiencies and other benefits of our Realignment and other announced cost-cutting measures and employee turnover related thereto; (vi) our ability to efficiently and effectively manage our operations at our Peace Naturals Campus; (vii) our ability to efficiently and effectively acquire raw materials on a timely and cost-effective basis from third parties or Cronos GrowCo; (viii) our ability to realize the expected benefits related to the expansion of Cronos GrowCo's purpose-built cannabis facility (including the quantity and quality of any additional supply provided thereby and the stability of pricing and demand with respect to such supply) and the ability of Cronos GrowCo to repay the credit facility provided by Cronos; (ix) High Tide's ability to repay the High Tide Loan, the performance of the High Tide Loan and the High Tide Warrant, and our ability to realize benefits related to the performance of the High Tide Warrant; (x) our ability to complete the acquisition of CanAdelaar on the terms and within the timelines anticipated, including the timely receipt of required regulatory approvals and the satisfaction of other closing conditions, and our ability to realize any expected benefits, synergies and operational performance associated with such acquisition; (xi) our ability to realize anticipated benefits, synergies or generate revenue, profits or value from our business combinations and strategic investments; (xii) the production and manufacturing capabilities and output from our facilities and our joint ventures, strategic alliances and equity investments; (xiii) government regulation of our activities and products including, but not limited to, the areas of cannabis taxation and environmental protection; (xiv) the timely receipt of any required regulatory authorizations, approvals, consents, permits and/or licenses; (xv) consumer interest in and the scalability of our products; (xvi) our ability to differentiate our products, including through the utilization of rare cannabinoids; (xvii) competition; (xviii) anticipated and unanticipated costs; (xix) our ability to generate cash flow from operations; (xx) our ability to conduct operations in a safe, efficient and effective manner; (xxi) our ability to hire and retain qualified staff and acquire equipment and services in a timely and cost-efficient manner; (xxii) our ability to complete planned dispositions and, if completed, obtain our anticipated sales price; (xxiii) general economic, financial market, regulatory and political conditions in which we operate; (xxiv) management's perceptions of historical trends, current conditions and expected future developments; and (xxv) other considerations that management believes to be appropriate in the circumstances. While our management considers these assumptions to be reasonable based on information currently available to management, there is no assurance that such expectations will prove to be correct.

By their nature, Forward-Looking Statements are subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct, and that objectives, strategic goals and priorities will not be achieved. A variety of factors, including known and unknown risks, many of which are beyond our control, could cause actual results to differ materially from the Forward-Looking Statements in this Quarterly Report and other reports we file with, or furnish to, the SEC and other regulatory agencies and made by our directors, officers, other employees and other persons authorized to speak on our behalf. Such factors include, without limitation, negative impacts on our business and operations in Israel due to the Anti-Dumping Investigation, including that we may not be able to produce, import or sell our products in Israel as a result thereof; negative impacts on our employees, business and operations in Israel due to the Middle East Conflict, including that we may not be able to produce, import or sell our products or protect our people or facilities in Israel during the Middle East Conflict, the supply of product in the market and the demand for product by medical patients in Israel, and inflationary pressures and related increases in input, production, transportation and other operating costs, as well as potential impacts on consumer purchasing power; that we may not be able to successfully maintain or expand distribution of our products in our markets outside of Canada or Israel or generate meaningful revenue in those markets; that we may be unable to further streamline our operations and expenses; that we may not be able to effectively and efficiently re-enter the U.S. market in the future; that we may not be able to access raw materials on a timely and cost-effective basis from third parties or Cronos GrowCo; that the expected benefits of the expansion of Cronos GrowCo's purpose-built cannabis facility (including any additional supply provided thereby) may not be fully realized within a reasonable time or at all or that Cronos GrowCo may not be able to repay its borrowings under the credit facility provided by Cronos; that the expected benefits of the High Tide Warrant and the High Tide Loan may not be fully realized within a reasonable time or at all or that High Tide may not be able to repay its borrowings under the High Tide Loan; that we may not be able to consummate our planned acquisition of CanAdelaar on the anticipated timeline or at all; the military conflict between Russia and Ukraine may disrupt our operations and those of our suppliers and distribution channels and negatively impact the demand for and use of our products; the risk that cost savings and any other synergies from the Altria Investment may not be fully realized or may take longer to realize than expected; failure to execute key personnel changes; that our Realignment and our further leveraging of our strategic partnerships will not result in the expected cost-savings, efficiencies and other benefits or will result in greater than anticipated turnover in personnel; that we may not be able to efficiently and effectively manage our operations, and any changes thereto, at our Peace Naturals Campus; lower levels of revenues; the lack of consumer demand for or our inability or challenges in successfully scaling our products; our inability to manage disruptions in credit markets; unanticipated future levels of capital, environmental or maintenance expenditures, general and administrative and other expenses; failure to realize expected growth opportunities; the lack of cash flow necessary to execute our business plan (either within the expected timeframe or at

all); difficulty raising capital; the potential adverse effects of judicial, regulatory or other proceedings, or threatened litigation or proceedings, on our business, financial condition, results of operations and cash flows; volatility in and/or degradation of general economic, market, industry or business conditions; compliance with applicable environmental, economic, health and safety, energy and other policies and regulations and in particular health concerns with respect to vaping and the use of cannabis and U.S. hemp products in vaping devices; the unexpected effects of actions of third parties such as competitors, activist investors or federal (including U.S. federal), state, provincial, territorial or local regulatory authorities or self-regulatory organizations; adverse changes in regulatory requirements in relation to our business and products; our failure to improve our internal control environment and our systems, processes and procedures; and the factors discussed under Part II, Item 1A “Risk Factors” in this Quarterly Report. Readers are cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on Forward-Looking Statements.

Forward-Looking Statements are provided for the purposes of assisting the reader in understanding our financial performance, financial position and cash flows as of and for periods ended on certain dates and to present information about management’s current expectations and plans relating to the future, and the reader is cautioned not to place undue reliance on these Forward-Looking Statements because of their inherent uncertainty and to appreciate the limited purposes for which they are being used by management. While we believe that the assumptions and expectations reflected in the Forward-Looking Statements are reasonable based on information currently available to management, there is no assurance that such assumptions and expectations will prove to have been correct. Forward-Looking Statements are made as of the date they are made and are based on the beliefs, estimates, expectations and opinions of management on that date. We undertake no obligation to update or revise any Forward-Looking Statements, whether as a result of new information, estimates or opinions, future events or results or otherwise or to explain any material difference between subsequent actual events and such Forward-Looking Statements. The Forward-Looking Statements contained in this Quarterly Report and other reports we file with, or furnish to, the SEC and other regulatory agencies and made by our directors, officers, other employees and other persons authorized to speak on our behalf are expressly qualified in their entirety by these cautionary statements.

### Foreign currency exchange rates

All currency amounts in this Quarterly Report are stated in U.S. dollars, which is our reporting currency, unless otherwise noted. All references to “dollars” or “\$” are to U.S. dollars. The assets and liabilities of our foreign operations are translated into dollars at the exchange rate in effect as of March 31, 2026, March 31, 2025, and December 31, 2025. Transactions affecting the shareholders’ equity (deficit) are translated at historical foreign exchange rates. The condensed consolidated statements of net income (loss) and comprehensive income (loss) and condensed consolidated statements of cash flows of our foreign operations are translated into dollars by applying the average foreign exchange rate in effect for the reporting period as reported on Bloomberg.

The exchange rates used to translate from Canadian dollars (“C\$”) to dollars are shown below:

*(Exchange rates are shown as C\$ per \$)*

	As of		
	March 31, 2026	March 31, 2025	December 31, 2025
Spot rate	1.3916	1.4393	1.3698
Year-to-date average rate	1.3720	1.4356	N/A

The exchange rates used to translate from New Israeli Shekels (“ILS”) to dollars are shown below:

*(Exchange rates are shown as ILS per \$)*

	As of		
	March 31, 2026	March 31, 2025	December 31, 2025
Spot rate	3.1441	3.7191	3.1863
Year-to-date average rate	3.1240	3.6145	N/A

### Business Overview

Cronos is a global cannabis company focused on scaling leading consumer goods products through research and development and innovation. With a passion to responsibly elevate the consumer experience, Cronos is building an iconic brand portfolio. Cronos’ diverse international brand portfolio includes Spinach®, PEACE NATURALS®, LIT™ and Lord Jones®.

#### Strategy

Cronos seeks to create value for shareholders by focusing on four core strategic priorities:

- growing a portfolio of iconic brands that responsibly elevate the consumer experience;
- developing a diversified global sales and distribution network;
- establishing an efficient global supply chain; and
- creating and monetizing disruptive intellectual property.

***Business Segment***

Cronos reports through one consolidated segment, which includes operations in both Canada and Israel. In Canada, Cronos operates one wholly owned license holder under the Cannabis Act (Canada) (the “Cannabis Act”), Peace Naturals Project Inc. (“Peace Naturals”), which has production facilities in Stayner, Ontario (the “Peace Naturals Campus”). Cronos also consolidates the results of operations of Cronos GrowCo in its consolidated financial statements. Cronos maintains its 50% equity interest in Cronos GrowCo. Cronos GrowCo’s production facilities are licensed under the Cannabis Act and represent the Company’s principal source of cannabis.

In Israel, the Company operates under the Good Agricultural Practices (“IMC-GAP”), Good Manufacturing Practices (“IMC-GMP”) and Good Distribution Practices (“IMC-GDP”) certifications required for the cultivation, production, distribution and marketing of medical cannabis products in Israel.

***Recent Developments******CanAdelaar Acquisition***

On December 9, 2025, the Company entered into a definitive share sale and purchase agreement (the “SPA”) to acquire all of the issued and outstanding shares of CanAdelaar, one of ten licensed cannabis producers participating in the Dutch Controlled Cannabis Supply Chain Experiment.

On May 8, 2026, the Company entered into an amendment to the SPA pursuant to which the parties agreed to extend the Long Stop Date (as defined in the SPA) for closing of the acquisition from June 9, 2026 to September 9, 2026. The extension provides additional time to satisfy certain closing conditions, including obtaining required regulatory clearances in the Netherlands, receipt of confirmations relating to CanAdelaar’s licenses and completion of the Bibob review (a background check conducted by Dutch authorities). No other material changes were made to the terms of the transaction.

The Company expects the acquisition to close in the summer of 2026.

***Conflict in Middle East***

The Middle East Conflict, including the recent escalation involving the United States, Israel and Iran, has contributed to increased energy and shipping costs. While the impact of these cost increases on the Company’s results for the three months ended March 31, 2026, was not material, the Company expects such cost pressures to have an adverse effect on gross margins in the second quarter of 2026. The Company is monitoring these impacts and pursuing mitigation efforts through supply chain optimization and cost reduction initiatives.

***U.S. Marijuana Scheduling Developments***

In April 2026, the DOJ announced a final rule placing certain FDA-approved marijuana products and marijuana products subject to qualifying state medical marijuana licenses in Schedule III of the U.S. Controlled Substances Act and announced a new administrative hearing process regarding the broader proposed rescheduling of marijuana. The Company continues to monitor these developments and assess whether they may have any implications for its business.

## Consolidated Results of Operations

The tables below set forth our condensed consolidated results of operations, expressed in thousands of U.S. dollars for the periods presented. Our condensed consolidated financial results for these periods are not necessarily indicative of the consolidated financial results that we will achieve in future periods.

	Three months ended March 31,	
	2026	2025
Net revenue, before excise taxes	\$ 58,965	\$ 41,898
Excise taxes	(13,755)	(9,636)
Net revenue	45,210	32,262
Cost of sales	25,392	18,528
Inventory write-down	665	—
Gross profit	19,153	13,734
Operating expenses		
Sales and marketing	5,615	4,565
Research and development	1,413	793
General and administrative	11,736	9,309
Restructuring costs	484	555
Share-based compensation	1,313	2,088
Depreciation and amortization	425	496
Total operating expenses	20,986	17,806
Operating loss	(1,833)	(4,072)
Other income	19,972	11,340
Income tax provision (benefit)	2,428	(455)
Net income	15,711	7,723
Net income attributable to non-controlling interest	1,959	1,601
Net income attributable to Cronos Group	\$ 13,752	\$ 6,122

### Summary of select financial results

	Three months ended March 31,		Change	
	2026	2025	\$	%
Net revenue	\$ 45,210	\$ 32,262	\$ 12,948	40 %
Cost of sales	25,392	18,528	6,864	37 %
Inventory write-down	665	—	665	N/A
<b>Gross profit</b>	19,153	\$ 13,734	5,419	39 %
Gross margin <sup>(i)</sup>	42 %	43 %	N/A	(1)pp

<sup>(i)</sup> Gross margin is defined as gross profit divided by net revenue.

#### Net revenue

For the three months ended March 31, 2026, we reported consolidated net revenue of \$45.2 million, representing an increase of \$12.9 million from the three months ended March 31, 2025. The increase was primarily due to higher cannabis flower sales in Israel and other countries, which carry no excise taxes, and higher cannabis extract and flower sales in the Canadian market.

#### Cost of sales

For the three months ended March 31, 2026, we reported consolidated cost of sales of \$25.4 million, representing an increase of \$6.9 million from the three months ended March 31, 2025. The increase was primarily due to higher sales volumes in the period. For the three months ended March 31, 2025, we recognized \$0.5 million of inventory step-up from the Cronos GrowCo Transaction into cost of sales. No such costs were recognized for the three months ended March 31, 2026.

### *Inventory write-down*

For the three months ended March 31, 2026, we reported inventory write-down of \$0.7 million, representing an increase of \$0.7 million from the three months ended March 31, 2025. The current year write-downs relate to unusable inventory that was scrapped in the period. There were no such write-downs for the three months ended March 31, 2025.

### *Gross profit*

For the three months ended March 31, 2026, we reported gross profit of \$19.2 million, representing an increase of \$5.4 million from the three months ended March 31, 2025. The increase was primarily due to higher average sales prices, largely driven by a mix shift to Israel and other countries, which carry no excise taxes, and higher sales volumes. For the three months ended March 31, 2025, gross profit was reduced by \$0.5 million as a result of the impact of the inventory step-up from the Cronos GrowCo Transaction that was recorded into cost of sales. No such costs were recognized for the three months ended March 31, 2026.

### *Operating expenses*

	Three months ended March 31,		Change	
	2026	2025	\$	%
Sales and marketing	\$ 5,615	\$ 4,565	\$ 1,050	23 %
Research and development	1,413	793	620	78 %
General and administrative	11,736	9,309	2,427	26 %
Restructuring costs	484	555	(71)	(13)%
Share-based compensation	1,313	2,088	(775)	(37)%
Depreciation and amortization	425	496	(71)	(14)%
Total operating expenses	<u>\$ 20,986</u>	<u>\$ 17,806</u>	<u>\$ 3,180</u>	<u>18 %</u>

### *Sales and marketing*

For the three months ended March 31, 2026, sales and marketing expenses were \$5.6 million, representing an increase of \$1.1 million compared to the three months ended March 31, 2025. The increase was primarily due to higher marketing expenses and salaries and benefits.

### *Research and development*

For the three months ended March 31, 2026, research and development expenses were \$1.4 million, representing an increase of \$0.6 million compared to the three months ended March 31, 2025. The increase was primarily due to higher product development costs and salaries and benefits.

### *General and administrative*

For the three months ended March 31, 2026, general and administrative expenses were \$11.7 million, representing an increase of \$2.4 million from the three months ended March 31, 2025. The increase was primarily due to higher salaries and benefits, transaction costs related to the pending CanAdelaar acquisition, and restatement litigation costs, partially offset by lower anti-dumping costs.

### *Restructuring costs*

For the three months ended March 31, 2026, restructuring costs were \$0.5 million, representing a decrease of \$0.1 million from the three months ended March 31, 2025. For further information, see Note 7 "Restructuring" to the condensed consolidated interim financial statements under Item 1 of this Quarterly Report.

### *Share-based compensation*

For the three months ended March 31, 2026, share-based compensation expense was \$1.3 million, representing a decrease of \$0.8 million from the three months ended March 31, 2025. The decrease was primarily due to lower average amounts of share-based compensation awards outstanding.

### *Depreciation and amortization*

For the three months ended March 31, 2026, depreciation and amortization expenses were \$0.4 million, representing a decrease of \$0.1 million from the three months ended March 31, 2025. The decrease was primarily due to lower amortization of intangible assets, partially offset by higher depreciation of property, plant and equipment.

**Other income and income tax expense (benefit)**

	Three months ended March 31,		Change	
	2026	2025	\$	%
Interest income, net	\$ 8,853	\$ 9,665	\$ (812)	(8)%
Gain (loss) on revaluation of financial instruments	(2,484)	49	(2,533)	N/M
Foreign currency gain	13,699	1,583	12,116	765 %
Change in allowance for credit loss on non-operating loan	(106)	—	(106)	N/A
Other, net	10	43	(33)	(77)%
Total other income	19,972	11,340	8,632	76 %
Income tax provision (benefit)	2,428	(455)	2,883	N/M
Net income	15,711	\$ 7,723	7,988	103 %

<sup>(i)</sup> “N/M” is defined as not meaningful.

**Interest income, net**

For the three months ended March 31, 2026, interest income, net was \$8.9 million, representing a decrease of \$0.8 million from the three months ended March 31, 2025. The decrease in net interest income was primarily due to lower interest rates in the current period, partially offset by interest on our High Tide Loan.

**Gain (loss) on revaluation of financial instruments**

For the three months ended March 31, 2026, the loss on revaluation of financial instruments was \$2.5 million, representing a deterioration of \$2.5 million from the three months ended March 31, 2025. The change was primarily related to the change in fair value of our High Tide Warrant and our investment in Vitura Health Limited (“Vitura”). For further information, see Note 3 “Investments” to the condensed consolidated interim financial statements under Item 1 of this Quarterly Report.

**Foreign currency gain**

For the three months ended March 31, 2026, foreign currency gain was \$13.7 million, representing an improvement of \$12.1 million from the three months ended March 31, 2025. The change was primarily due to the strengthening of the U.S. dollar compared to the Canadian dollar impacting the revaluation of certain foreign currency-denominated cash equivalents and short-term investments held in Canada, as well as the strengthening of the New Israeli Shekel compared to the Canadian dollar impacting the revaluation of certain foreign currency-denominated intercompany loans anticipated to be settled in the foreseeable future.

**Change in allowance for credit loss on non-operating loan**

For the three months ended March 31, 2026, change in allowance for credit loss on non-operating loan was \$0.1 million. There was no such activity during the three months ended March 31, 2025. The expense relates to the change in the allowance for credit loss on the High Tide Loan. For further information, see Note 4 “Loans Receivable, net.”

**Other, net**

For the three months ended March 31, 2026, other, net primarily related to non-operating rental income. For the three months ended March 31, 2025, other, net primarily related to gains and losses on the disposal of assets.

**Income tax provision (benefit)**

For the three months ended March 31, 2026, income tax provision was \$2.4 million, compared to a benefit of \$0.5 million for the three months ended March 31, 2025. The increased expense was primarily due to decreased net operating loss utilization compared to the three months ended March 31, 2025.

**Net income**

For the three months ended March 31, 2026, net income was \$15.7 million, compared to net income of \$7.7 million for the three months ended March 31, 2025. The improvement in net income was primarily due to higher gross profit and other income, partially offset by higher operating expenses.

## Non-GAAP Measures

Cronos reports its financial results in accordance with Generally Accepted Accounting Principles in the United States (“U.S. GAAP”). This Quarterly Report refers to measures not recognized under U.S. GAAP (“non-GAAP measures”). These non-GAAP measures do not have a standardized meaning prescribed by U.S. GAAP and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these non-GAAP measures are provided as a supplement to corresponding U.S. GAAP measures to provide additional information regarding our results of operations from management’s perspective. Accordingly, non-GAAP measures should not be considered a substitute for, or superior to, the financial information prepared and presented in accordance with U.S. GAAP. All non-GAAP measures presented in this Quarterly Report are reconciled to their closest reported U.S. GAAP measure. Reconciliations of historical adjusted financial measures to corresponding U.S. GAAP measures are provided below.

### *Adjusted EBITDA*

Management reviews Adjusted EBITDA, a non-GAAP measure, which excludes non-cash items and items that do not reflect management’s assessment of ongoing business performance. Management defines Adjusted EBITDA as net income (loss) before interest, tax expense (benefit), depreciation and amortization adjusted for: share of (income) loss from equity method investments; impairment loss on goodwill and intangible assets; impairment loss on long-lived assets; (gain) loss on revaluation of derivative liabilities; (gain) loss on revaluation of financial instruments; gain on revaluation of loan receivable; gain on revaluation of equity method investment; transaction costs related to strategic projects; loss on held-for-sale assets; impairment loss on other investments; foreign currency transaction (gain) loss; other, net; loss from discontinued operations; change in allowance for credit loss on non-operating loan; restructuring costs; inventory write-downs resulting from restructuring actions; share-based compensation; costs related to the Israel Ministry of Economy and Industry dumping inquiry; purchase accounting adjustment-related inventory step-up adjustments recorded through cost of sales; and restatement litigation costs and reserves related to the restatements of our 2019 and 2021 interim financial statements (the “Restatements”), including the costs related to the settlement of the SEC’s and the OSC’s investigations of the Restatements and legal costs of defending shareholder class action complaints brought against us as a result of the 2019 restatement (see Note 10(b) “Contingencies,” to the condensed consolidated financial statements under Item 1 of this Quarterly Report for a discussion of the shareholder class action complaints relating to the restatement of the 2019 interim financial statements and the settlement of the SEC’s and the OSC’s investigations of the Restatements). Results are reported as total consolidated results, reflecting our reporting structure of one reportable segment.

Management believes that Adjusted EBITDA provides useful insight into underlying business trends and results and facilitates comparison of period-over-period results. Management uses Adjusted EBITDA for planning, forecasting and evaluating business and financial performance, including allocating resources and evaluating results relative to employee compensation targets.

Beginning in 2025, the Company modified the composition of Adjusted EBITDA to exclude the impact of the provision for expected credit losses recognized under ASC 326 solely with respect to the High Tide Loan (see Note 4 “Loans Receivable, net” to the condensed consolidated financial statements under Item 1 of this Quarterly Report for further information). Management determined that excluding this non-cash provision provides investors with additional insight into period-over-period operating performance by isolating credit-risk movements unrelated to the Company’s core operations.

Management believes that this change provides additional information regarding the Company’s ongoing operational results and enhances comparability with peers that do not routinely extend credit to third parties. This change does not affect the Company’s GAAP financial statements.

The following tables set forth a reconciliation of Net income as determined in accordance with U.S. GAAP to Adjusted EBITDA for the periods indicated:

	Three months ended March 31, 2026
Net income	\$ 15,711
Interest income, net	(8,853)
Income tax provision	2,428
Depreciation and amortization	3,727
EBITDA	13,013
Loss on revaluation of financial instruments <sup>(i)</sup>	2,484
Foreign currency transaction gain	(13,699)
Transaction costs <sup>(ii)</sup>	959
Other, net <sup>(iii)</sup>	(10)
Restructuring costs <sup>(iv)</sup>	484
Share-based compensation <sup>(v)</sup>	1,313
Restatement litigation costs <sup>(vi)</sup>	411
Israel Ministry of Economy and Industry dumping inquiry expense <sup>(vii)</sup>	18
Change in allowance for credit loss on non-operating loan <sup>(viii)</sup>	106
Adjusted EBITDA	\$ 5,079

	Three months ended March 31, 2025
Net income	\$ 7,723
Interest income, net	(9,665)
Income tax benefit	(455)
Depreciation and amortization	2,840
EBITDA	443
Gain on revaluation of financial instruments <sup>(i)</sup>	(49)
Foreign currency transaction gain	(1,583)
Transaction costs <sup>(ii)</sup>	40
Other, net <sup>(iii)</sup>	(43)
Restructuring costs <sup>(iv)</sup>	555
Share-based compensation <sup>(v)</sup>	2,088
Restatement litigation costs <sup>(vi)</sup>	47
Israel Ministry of Economy and Industry dumping inquiry expense <sup>(vii)</sup>	274
Inventory step-up recorded to cost of sales <sup>(ix)</sup>	517
Adjusted EBITDA	\$ 2,289

- <sup>(i)</sup> For the three months ended March 31, 2026, the loss on revaluation of financial instruments was driven by a loss related to the Company's High Tide Warrant and the Company's equity securities in Vitura. For the three months ended March 31, 2025, the gain on revaluation of financial instruments related primarily to the revaluation of the Company's DSU liability, partially offset by a loss on the Company's equity securities in Vitura.
- <sup>(ii)</sup> For the three months ended March 31, 2026, transaction costs represented fees related to the pending acquisition of CanAdelaar. For the three months ended March 31, 2025, transaction costs represented legal, financial and other advisory fees and expenses incurred in connection with the Cronos GrowCo Transaction. These costs are included in general and administrative expenses on the condensed consolidated statements of net income (loss) and comprehensive income (loss).
- <sup>(iii)</sup> For the three months ended March 31, 2026, other, net related to rental income. For the three months ended March 31, 2025 other, net related to (gain) loss on disposal of assets and (gain) loss on revaluation of derivative liabilities.
- <sup>(iv)</sup> For the three months ended March 31, 2026 and 2025, restructuring costs related to employee-related severance costs and IT infrastructure and finance transformation costs associated with the Realignment, as described in Note 7 "Restructuring."
- <sup>(v)</sup> For the three months ended March 31, 2026, share-based compensation related to the expenses of share-based compensation awarded to employees and DSUs issued to our Board of Directors, each under the Company's share-based award plans, as described in Note 8 "Share-based Compensation." For the three months ended March 31, 2025, share-based compensation related to the expenses of share-based compensation awarded to employees under the Company's share-based award plans, as described in Note 8 "Share-based Compensation."

- (vi) For the three months ended March 31, 2026 and 2025, restatement litigation costs included legal costs incurred defending shareholder class action complaints brought against the Company as a result of the 2019 restatement.
- (vii) For the three months ended March 31, 2026 and 2025, Israel Ministry of Economy and Industry dumping inquiry expense included expenditures relating to the regulatory inquiry about alleged dumping of medical cannabis products in Israel and related litigation and external relations expenses.
- (viii) For the three months ended March 31, 2026, change in allowance for credit loss on non-operating loan represents the allowance recognized on the High Tide loan receivable, as described in Note 4, "Loans Receivable, net."
- (ix) For the three months ended March 31, 2025, inventory step-up recorded to cost of sales represents the portion of the inventory step-up from the Cronos GrowCo Transaction that was recorded through the condensed consolidated statements of income (loss) and comprehensive income (loss).

For the three months ended March 31, 2026, Adjusted EBITDA was \$5.1 million, representing an improvement of \$2.8 million from the three months ended March 31, 2025. The improvement was primarily due to higher gross profit, partially offset by higher operating expenses due to higher sales and marketing, general and administrative, and research and development costs.

### **Adjusted Gross Profit and Adjusted Gross Margin**

To supplement the consolidated financial statements presented in accordance with U.S. GAAP, we have presented Adjusted Gross Profit and Adjusted Gross Margin, non-GAAP measures that exclude the impacts of inventory-related purchase accounting adjustments from the calculations of gross profit and gross margin, which resulted from the Cronos GrowCo Transaction. Results are reported as total consolidated results, reflecting our reporting structure of one reportable segment.

Management believes that Adjusted Gross Profit and Adjusted Gross Margin provide useful insight into underlying business trends to facilitate comparisons of period-over-period results by removing the impacts of inventory-related purchase accounting adjustments resulting from the Cronos GrowCo Transaction, which reflect a one-time event and do not reflect management's assessment of ongoing business performance.

The following table sets forth a reconciliation of Gross profit and Gross margin, each as determined in accordance with U.S. GAAP, to Adjusted Gross Profit and Adjusted Gross Margin, respectively, for the periods indicated:

(in thousands of USD)

	Three months ended March 31,		Change	
	2026	2025	\$	%
Net revenue	\$ 45,210	\$ 32,262	\$ 12,948	40 %
Gross profit	\$ 19,153	\$ 13,734	\$ 5,419	39 %
Inventory step-up recorded to cost of sales	—	517	(517)	N/A
Adjusted Gross Profit	\$ 19,153	\$ 14,251	\$ 4,902	34 %
Gross margin <sup>(i)</sup>	42 %	43 %	N/A	(1)pp
Adjusted Gross Margin <sup>(ii)</sup>	42 %	44 %	N/A	(2)pp

<sup>(i)</sup> Gross margin is defined as gross profit divided by net revenue.

<sup>(ii)</sup> Adjusted Gross Margin is defined as Adjusted Gross Profit divided by net revenue.

For the three months ended March 31, 2026, Adjusted Gross Profit was \$19.2 million, representing an increase of \$4.9 million from the three months ended March 31, 2025. The increase was primarily due to higher average sales prices, largely driven by a mix shift to Israel and other countries, which carry no excise taxes, and higher sales volumes.

### **Constant Currency**

To supplement the consolidated financial statements presented in accordance with U.S. GAAP, we have presented constant currency adjusted financial measures for net revenue, gross profit, gross profit margin, operating expenses, net income (loss) and Adjusted EBITDA for the three months ended March 31, 2026, as well as cash and cash equivalents and short-term investment balances as of March 31, 2026 compared to December 31, 2025, which are considered non-GAAP financial measures. We present constant currency information to provide a framework for assessing how our underlying operations performed excluding the effect of foreign currency rate fluctuations. To present this information, current and comparative prior period income statement results in currencies other than U.S. dollars are converted into U.S. dollars using the average exchange rates from the three month comparative period in 2025, rather than the actual average exchange rates in effect during the respective current period; constant currency current and prior comparative balance sheet information is translated at the prior year-end spot rate rather than the current period spot rate. All growth comparisons relate to the corresponding period in 2025. We have provided this non-GAAP financial information to aid investors in better understanding the performance of our operations. The non-GAAP financial measures presented in this Quarterly Report should not be considered as a substitute for, or superior to, the measures of financial performance prepared in accordance with U.S. GAAP. See further discussion on foreign currency risk as noted in Item 3 "Quantitative and Qualitative Disclosures About Market Risk."

The table below sets forth certain measures of consolidated results from continuing operations on a constant currency basis for the three months ended March 31, 2026 compared to the three months ended March 31, 2025 as well as cash and cash equivalents and short-term investments as of March 31, 2026 and December 31, 2025, both on an as-reported and constant currency basis (in thousands):

	As Reported				As Adjusted for Constant Currency		
	Three months ended March 31,		As Reported Change		Three months ended March 31,	Constant Currency Change	
	2026	2025	\$	%	2026	\$	%
Net revenue	\$ 45,210	\$ 32,262	\$ 12,948	40 %	\$ 41,913	\$ 9,651	30 %
Gross profit	19,153	13,734	5,419	39 %	17,588	3,854	28 %
Gross margin	42 %	43 %	N/A	(1)pp	42 %	N/A	(1)pp
Operating expenses	20,986	17,806	3,180	18 %	20,005	2,199	12 %
Net income	15,711	7,723	7,988	103 %	14,809	7,086	92 %
Adjusted EBITDA	\$ 5,079	\$ 2,289	\$ 2,790	122 %	\$ 4,153	\$ 1,864	81 %

  

	As of March 31,	As of December 31,	As Reported Change		As of March 31,	Constant Currency Change	
	2026	2025	\$	%	2026	\$	%
	Cash and cash equivalents	\$ 821,856	\$ 791,794	\$ 30,062	4 %	\$ 822,316	\$ 30,522
Short-term investments	—	40,000	(40,000)	N/A	—	(40,000)	N/A
Total cash and cash equivalents and short-term investments	\$ 821,856	\$ 831,794	\$ (9,938)	(1) %	\$ 822,316	\$ (9,478)	(1) %

#### Net revenue

	As Reported				As Adjusted for Constant Currency		
	Three months ended March 31,		As Reported Change		Three months ended March 31,	Constant Currency Change	
	2026	2025	\$	%	2026	\$	%
Cannabis flower	\$ 33,734	\$ 23,344	\$ 10,390	45 %	\$ 30,972	\$ 7,628	33 %
Cannabis extracts	11,457	8,608	2,849	33 %	10,923	2,315	27 %
Other	19	310	(291)	(94)%	18	(292)	(94)%
Net revenue	\$ 45,210	\$ 32,262	\$ 12,948	40 %	\$ 41,913	\$ 9,651	30 %

  

	As Reported				As Adjusted for Constant Currency		
	Three months ended March 31,		As Reported Change		Three months ended March 31,	Constant Currency Change	
	2026	2025	\$	%	2026	\$	%
Canada	\$ 25,351	\$ 20,130	\$ 5,221	26 %	\$ 24,221	\$ 4,091	20 %
Israel	14,151	9,229	4,922	53 %	12,240	3,011	33 %
Other countries	5,708	2,903	2,805	97 %	5,452	2,549	88 %
Net revenue	\$ 45,210	\$ 32,262	\$ 12,948	40 %	\$ 41,913	\$ 9,651	30 %

For the three months ended March 31, 2026, net revenue on a constant currency basis was \$41.9 million, representing a 30% increase from the three months ended March 31, 2025. On a constant currency basis, net revenue increased for the three months ended March 31, 2026, primarily due to higher cannabis flower sales in Israel and other countries, which carry no excise taxes, and higher cannabis extract and flower sales in the Canadian market.

### Gross profit

For the three months ended March 31, 2026, gross profit on a constant currency basis was \$17.6 million, representing a 28% increase from the three months ended March 31, 2025. On a constant currency basis, gross profit increased for the three months ended March 31, 2026, primarily due to higher average sales prices, largely driven by a mix shift to Israel and other countries, which carry no excise tax, higher sales volumes, and the impact of the inventory step-up from the Cronos GrowCo Transaction recognized in the three months ended March 31, 2025. For the three months ended March 31, 2025, we recognized \$0.5 million of inventory step-up from the Cronos GrowCo Transaction in cost of sales. No such costs were recognized for the three months ended March 31, 2026.

### Operating expenses

For the three months ended March 31, 2026, operating expenses on a constant currency basis were \$20.0 million, representing a 12% increase from the three months ended March 31, 2025. On a constant currency basis, operating expenses increased for the three months ended March 31, 2026, primarily due to higher salaries and benefits, transaction costs and product development costs, partially offset by lower share-based compensation expense.

### Net income

For the three months ended March 31, 2026, net income on a constant currency basis was \$14.8 million, representing an increase in net income of \$7.1 million from the three months ended March 31, 2025. On a constant currency basis, the improvement in net income for the three months ended March 31, 2026, was primarily due to higher gross profit and other income, partially offset by higher operating expenses.

### Adjusted EBITDA

For the three months ended March 31, 2026, Adjusted EBITDA on a constant currency basis was \$4.2 million, representing a \$1.9 million improvement from the three months ended March 31, 2025. The improvement in Adjusted EBITDA for the three months ended March 31, 2026 on a constant currency basis was driven by higher gross profit, partially offset by higher operating expenses due to higher sales and marketing, general and administrative, and research and development costs.

### Cash and cash equivalents & short-term investments

Cash and cash equivalents and short-term investments on a constant currency basis decreased 1% to \$822.3 million as of March 31, 2026, from \$831.8 million as of December 31, 2025. The decrease in cash and cash equivalents and short-term investments on a constant currency basis is primarily due to repurchases of common stock, purchases of property, plant and equipment, and withholding taxes paid on share-based awards, partially offset by positive cash from operating activities.

## Liquidity and Capital Resources

As of March 31, 2026, we had \$822 million in cash and cash equivalents and no short-term investments. We believe that the existing cash and cash equivalents will be sufficient to fund the business operations and capital expenditures over the next twelve months. The following table summarizes the cash flows from operating, investing and financing activities:

(In thousands of U.S. dollars)

	Three months ended March 31,	
	2026	2025
Net cash provided by (used in) operating activities	\$ 10,898	\$ (2,096)
Net cash provided by (used in) investing activities	38,029	(55,356)
Net cash used in financing activities	(18,268)	(2,930)
Effect of foreign currency translation on cash and cash equivalents	(597)	(604)
Net change in cash	<u>\$ 30,062</u>	<u>\$ (60,986)</u>

### Comparison of cash flows between the three months ended March 31, 2026 and the three months ended March 31, 2025

#### Operating activities

During the three months ended March 31, 2026, we generated \$10.9 million of cash from operating activities as compared to \$2.1 million of cash used in the three months ended March 31, 2025, representing an increase in cash generated of \$13.0 million. This change is primarily driven by decreases in accounts receivable, prepaids and other current assets, and other receivables, as well as a lower decrease in accrued liabilities compared to the three months ended March 31, 2025. These were partially offset by a \$1.8 million decrease in net income after adjusting for non-cash items during the three months ended March 31, 2026, compared to the three months ended March 31, 2025, and a lower decrease to interest receivable.

### *Investing activities*

During the three months ended March 31, 2026, we generated \$38.0 million of cash from investing activities, compared to \$55.4 million of cash used in investing activities during the three months ended March 31, 2025, representing a change of \$93.4 million. This change was driven by the maturity of \$40.0 million of short-term investments and lower capital expenditures during the three months ended March 31, 2026, compared to the purchase of \$40.0 million of short-term investments during the three months ended March 31, 2025.

### *Financing activities*

During the three months ended March 31, 2026, cash used in financing activities was \$18.3 million, compared to \$2.9 million of cash used in financing activities during the three months ended March 31, 2025, representing an increase in cash used of \$15.3 million. This change is primarily driven by \$16.7 million of share repurchases, partially offset by a decrease in withholding taxes paid on share-based awards during the three months ended March 31, 2026 compared to the three months ended March 31, 2025.

### **Share Repurchase Program**

On May 7, 2025, the Company's Board of Directors (the "Board") authorized a share repurchase program of up to \$50 million, but not to exceed 19,270,951 common shares, being 5% of the outstanding common shares as of May 7, 2025. The repurchase program commenced on May 14, 2025 and is expected to terminate on May 13, 2026 unless earlier terminated. In the three months ended March 31, 2026, we repurchased 6,365,700 common shares at costs of approximately \$16.7 million, inclusive of commissions and excise taxes. As of March 31, 2026, the Company has repurchased a total of 10,785,181 common shares at costs of approximately \$26.5 million, inclusive of commissions and excise taxes, under the repurchase program. Commissions and excise taxes do not reduce the Company's remaining repurchase authorization. Accordingly, the Company has remaining authorization to repurchase up to \$23.9 million of additional common shares, not to exceed the remaining 8,485,770 common shares authorized by the Board.

Subsequent to March 31, 2026, the Board authorized a new share repurchase program intended to succeed the Company's existing share repurchase program. See Note 15, "Subsequent Events."

### **Cash Requirements**

The Company's cash requirements have not changed significantly since the filing of the Annual Report.

### **Cronos GrowCo Credit Facility**

On August 23, 2019, the Company, as lender, and Cronos GrowCo, as borrower, entered into a senior secured credit agreement for an aggregate principal amount of C\$100.0 million (as amended, the "GrowCo Credit Facility"). The GrowCo Credit Facility is secured by substantially all present and after-acquired personal and real property of Cronos GrowCo. In August 2021, the GrowCo Credit Facility was amended to increase the aggregate principal amount available to C\$105.0 million, and in June 2024, the GrowCo Credit Facility was amended to increase the aggregate principal amount available by C\$70.0 million to C\$175.0 million by providing a second secured non-revolving credit facility.

As a result of the Cronos GrowCo Transaction on July 1, 2024, the existing loans receivable under the GrowCo Credit Facility were remeasured at their fair value and effectively settled for accounting purposes. Beginning in the third quarter of 2024, the GrowCo Credit Facility has been treated as an intercompany loan and eliminated upon consolidation.

For the three months ended March 31, 2026, Cronos GrowCo repaid an aggregate C\$3.4 million (\$2.5 million) and C\$1.8 million (\$1.3 million) in principal and interest, respectively, under the terms of the GrowCo Credit Facility.

As of March 31, 2026, Cronos GrowCo had repaid an aggregate C\$39.3 million (\$28.6 million) and C\$38.2 million (\$27.8 million) in principal and interest, respectively, under the terms of the GrowCo Credit Facility.

As of March 31, 2026, the closing balance of the GrowCo Credit Facility was C\$127.7 million (\$91.8 million).

### **Critical Accounting Policies and Estimates**

Our critical accounting policies and estimates are discussed in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report. Our critical accounting policies and estimates have not changed significantly since the filing of the Annual Report.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk.**

The Company is exposed to certain market risks, including changes from foreign currency exchange rates related to our international operations. Except as updated below, the Company's market risks have not changed significantly from the market risk disclosed in Item 7A, "Quantitative and Qualitative Disclosures About Market Risk" in our Annual Report.

**Foreign currency risk**

The Company's condensed consolidated financial statements included in Part I, Item 1. "Financial Statements" of this Quarterly Report are expressed in U.S. dollars. The Company is exposed to foreign currency risk based on its net assets, liabilities, and revenue denominated in foreign currencies, including Canadian dollars and Israeli new shekels. As a result, we are exposed to foreign currency translation gains and losses. Revenue and expenses of all foreign operations are translated into U.S. dollars at the foreign currency exchange rates that approximate the rates in effect during the period when such items are recognized. Appreciating foreign currencies relative to the U.S. dollar will positively impact operating income and net earnings, while depreciating foreign currencies relative to the U.S. dollar will have an adverse impact.

A 10% change in the exchange rates for the Canadian dollar would have affected the carrying amount of the net assets by approximately \$37.7 million and \$40.5 million as of March 31, 2026 and December 31, 2025, respectively. The corresponding impact would be recorded in accumulated other comprehensive income. We have not historically engaged in hedging transactions and do not currently contemplate engaging in hedging transactions to mitigate foreign exchange risks. As we continue to recognize gains and losses in foreign currency transactions, depending upon changes in future currency rates, such gains and losses could have a significant, and potentially adverse, effect on the Company's results of operations.

During the three months ended March 31, 2026, the Company had foreign currency loss on translation of \$17.9 million. During the three months ended March 31, 2025, the Company had foreign currency loss on translation of \$3.1 million.

**Interest rate risk**

Interest rate risk is the risk that the value or yield of fixed-income investments may decline if interest rates change. Fluctuations in interest rates may impact the level of income and expense recorded on the cash equivalents and short-term investments, and the market value of all interest-earning assets, other than those which possess a short term to maturity. During the three months ended March 31, 2026 and 2025, we had interest income, net of \$8.9 million and \$9.7 million, respectively. A 10% decrease in the interest rate in effect on March 31, 2026 would not have a material effect on the fair value of our cash equivalents and short-term investments as the majority of the portfolio had a maturity date of three months or less. A 10% decrease in the interest rate in effect for the three months ended March 31, 2026 would have an effect of \$1.1 million on interest income, net earned on our cash equivalents and short-term investments.

**Item 4. Controls and Procedures.***(a) Evaluation of Disclosure Controls and Procedures*

The Company's management, with the participation of the Chief Executive Officer and the Chief Financial Officer, performed an evaluation of the disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934 (the "Exchange Act"), as of March 31, 2026. Based on that evaluation, management has concluded that, as of March 31, 2026, the disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed by us in reports we file or submit under the Exchange Act were recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and to ensure that the information required to be disclosed by us in reports that we file or submit under the Exchange Act, is accumulated and communicated to management, including the principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

*(b) Changes in Internal Control over Financial Reporting*

There were no changes in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act), that occurred during the three months ended March 31, 2026, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

**PART II**  
**OTHER INFORMATION**

**Item 1: Legal Proceedings.**

The information set forth under Note 10(b), Contingencies, to the Company’s condensed consolidated interim financial statements included in Part I, Item 1 “Financial Statements” of this Quarterly Report is incorporated herein by reference.

**Item 1A: Risk Factors.**

An investment in us involves a number of risks. A detailed discussion of our risk factors appears in Part I, Item 1A. Risk Factors of the Annual Report. Any of the matters highlighted in the risk factors described in the Annual Report could adversely affect our business, results of operations and financial condition, causing an investor to lose all, or part of, its, his or her investment. These risks and uncertainties are those we currently believe to be material, but they are not the only ones we face. If any of these risks and uncertainties, or any other risks and uncertainties that we have not yet identified or that we currently consider not to be material, actually occur or become material risks, our business, prospects, financial condition, results of operations and cash flows and consequently the price of our securities could be materially and adversely affected.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.**

**Purchases of Equity Securities by the Issuer and Affiliated Purchasers**

Share repurchase activity during the three months ended March 31, 2026 was as follows (in thousands, except share and per share amounts):

Period	Number of shares purchased	Weighted average price per share	Purchased as part of publicly announced repurchase plan <sup>(i)</sup>	Approximate dollar value of shares that may yet be purchased on repurchase plan <sup>(i)</sup>	Approximate shares that may yet be purchased on repurchase plan
January 1, 2026 to January 31, 2026	1,436,939	\$ 2.61	\$ 3,875	\$ 36,534	13,414,531
February 1, 2026 to February 28, 2026	1,465,978	2.63	3,935	32,683	11,948,553
March 1, 2026 to March 31, 2026	3,462,783	2.54	8,920	23,906	8,485,770
	<u>6,365,700</u>		<u>\$ 16,730</u>		

<sup>(i)</sup> On May 7, 2025, the Company was authorized by the Board to purchase up to \$50,000 of the Company’s common shares under a share repurchase program announced on May 8, 2025. During the three months ended March 31, 2026, the Company repurchased \$16,730 of its common shares, including \$272 of excise taxes. The repurchase program is expected to terminate on May 13, 2026, unless earlier terminated. Subsequent to March 31, 2026, the Board authorized a new share repurchase program intended to succeed the Company’s existing share repurchase program. See Note 15, “Subsequent Events.”

**Item 3. Defaults Upon Senior Securities.**

None.

**Item 4. Mine Safety Disclosures.**

Not applicable.

**Item 5. Other Information.**

**Rule 10b5-1 Trading Plans**

*Securities Trading Plans of Directors and Executive Officers*

During the three months ended March 31, 2026, no directors or executive officers entered into, modified or terminated, contracts, instructions or written plans for the sale or purchase of the Company’s securities that were intended to satisfy the affirmative defense conditions of Rule 10b5-1 or that constituted non-Rule 10b5-1 trading arrangements (as defined in Item 408(c) of Regulation S-K).

Certain of our officers or directors have made, and may from time to time make, elections to have shares withheld to cover withholding taxes or pay the exercise price of options, which may be designed to satisfy the affirmative defense conditions of Rule 10b5-1 under the Exchange Act or may constitute non-Rule 10b5-1 trading arrangements (as defined in Item 408(c) of Regulation S-K).

**Item 6. Exhibits**

The exhibits listed in the Exhibit Index immediately below are filed as part of this Quarterly Report, which Exhibit Index is incorporated by reference herein.

<b>Exhibit Number</b>	<b>Exhibit Index</b>
3.1	<a href="#">Certificate of Continuance and Articles of Cronos Group Inc. (incorporated by reference to Exhibit 3.1 to the Quarterly Report on Form 10-Q of Cronos Group Inc., filed on August 8, 2024).</a>
10.1†*	<a href="#">Amended and Restated Executive Employment Agreement, dated April 1, 2024, by and among Cronos Israel G.S. Cultivation Ltd., the Company and Adam Wagner.</a>
10.2†*	<a href="#">Letter Agreement, dated May 6, 2025, by and among Cronos Israel G.S. Cultivation Ltd., the Company and Adam Wagner.</a>
10.3†*	<a href="#">Letter Agreement, dated October 31, 2025, by and among Cronos Israel G.S. Cultivation Ltd., the Company and Adam Wagner.</a>
31.1*	<a href="#">Certification of the Principal Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
31.2*	<a href="#">Certification of the Principal Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
32.1**	<a href="#">Certification of the Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
32.2**	<a href="#">Certification of the Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
101.INS*	XBRL Instance Document.
101.SCH*	XBRL Taxonomy Extension Schema Document.
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document.

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† Management contract or compensatory plan or arrangement.

\* Filed herewith.

\*\* Furnished herewith and not “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

**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 thereunto duly authorized.

CRONOS GROUP INC.

By: /s/ Anna Shlimak

Anna Shlimak  
Chief Financial Officer and Principal Financial Officer

May 11, 2026

By: /s/ Jared Kenost

Jared Kenost  
Vice President, Controller and Principal Accounting Officer

May 11, 2026

**AMENDED AND RESTATED  
EXECUTIVE EMPLOYMENT AGREEMENT**

(this “**Agreement**”)

BETWEEN:

**CRONOS ISRAEL G.S. CULTIVATION LTD.**  
**(No. 515790988)**

(the “**Company**”)

- and -

**ADAM WAGNER**, Israeli ID number 066080755 an individual residing in the City of Pardes Hanna Karkur, in Israel

(the “**Executive**”)

- and –

solely for the purposes specified herein,

**CRONOS GROUP INC.**

(“**Cronos Group**”)

**WHEREAS** the Company is an indirect subsidiary of Cronos Group in which Cronos Group holds a 70% equity interest;

**WHEREAS** the Executive is currently employed by the Company pursuant to an employment agreement executed by the Executive on May 4, 2020 (the “**Original Agreement**”);

**WHEREAS** the Executive currently holds the position of Vice President, Finance;

**WHEREAS** the Company wishes to promote the Executive to the position of Senior Vice President, Head of Cronos Israel;

**WHEREAS** the Executive will continue to have extensive access to the customers, vendors, suppliers, distribution processes and other unique and valuable confidential information and trade secrets of the Company, Cronos Group and their respective affiliates (excluding Altria Group, Inc. and its subsidiaries) and related entities;

**WHEREAS** the Company and the Executive desire to amend and replace the Original Agreement in its entirety by this Agreement effective as of the Effective Date; and

**AND WHEREAS** the Executive acknowledges that this Agreement, including without limitation, the proprietary rights, non-solicitation and non-competition provisions that form part of this Agreement, are essential to protect the legitimate business interests of the Group;

**NOW THEREFORE** in consideration of the foregoing, the mutual covenants and agreements contained in this Agreement, and other good and valuable consideration, including without limitation, the increased base salary set out at Section 5.1 below, target bonus opportunity set out at Section 5.2 below, and target incentive opportunity set out at Section 5.4 below, the sufficiency of which is hereby acknowledged, the Company and the Executive, and solely for the limited purposes specified herein, Cronos Group (together, the “**Parties**”), agree as follows:

**1. Position**

1.1 The Executive shall continue employment with the Company in the position of Senior Vice President, Head of Cronos Israel (the “**Position**”) effective as of April 2, 2024 (the “**Effective Date**”).

**2. Location**

2.1 The Executive shall generally work out of the Company’s location in Gan Shmuel, Israel, with business travel as reasonably required to perform the Executive’s duties hereunder.

**3. Work Authorizations**

3.1 It is a condition of this Agreement and the Executive’s employment that the Executive shall be able to work lawfully in Israel. However, it is understood and agreed that the Executive may be required to work abroad, as needed by the Company. In such case, relocation will be discussed and agreed upon by the Company and the Executive. The Company shall provide reasonable assistance in respect of immigration matters. Despite such assistance, the Company cannot guarantee when or whether the Executive’s application for a work permit, visa, permanent residence status or other immigration documents will be approved. Should the necessary authorizations that permit the Executive to legally work in any jurisdiction other than Israel not be obtained, the Executive shall continue to be employed in Israel and this Agreement shall continue to be in effect. At any time, should necessary authorizations that permit the Executive to legally work in Israel expire without the possibility of renewal, the Executive’s employment shall come to an end and shall be treated by the Company as a termination without Justifiable Cause; provided that if such authorization expires without the possibility of renewal due to any action or inaction by the Executive, the Executive’s employment shall come to an end and shall be treated by the Company as a termination with Justifiable Cause.

**4. Employment Duties**

4.1 The Executive shall perform such duties and exercise such powers as are normally associated with or incidental and ancillary to the Position and as may be assigned to the Executive from time to time. In fulfilling the Executive’s duties to the Company, the Executive shall be instructed by and shall regularly report to the Chief Executive Officer of Cronos Group (the “**CEO**”). The Executive agrees and acknowledges that due to the Executive’s senior managerial position in the Company and the special amount of trust involved in the Position, the Hours of Work and Rest Law, 1951 (the “**Hours of Work and Rest Law**”) does not apply to the Executive’s employment. The Executive acknowledges that the set amount of the Base Salary (as defined hereunder) agreed upon reflects the requirements of the Position to work additional and irregular hours. Therefore, the Executive shall not be entitled to claim or receive payments or any additional pay for overtime working hours, or work performed on Fridays, Saturdays or Jewish festival holidays. The Executive’s duties, hours of work, location of employment and reporting relationships may be adjusted from time to time by the Company to meet changing business and operational needs. Without limiting the foregoing, the Executive shall:

- (a) devote the Executive's full working time and attention during normal business hours and such other times as may be reasonably required to the business and affairs of the Company and shall not, without the prior written consent of the CEO, undertake any other business or occupation or public office;
- (b) perform those duties that may be assigned to the Executive diligently, honestly, and faithfully to the best of the Executive's ability and in the best interest of the Company;
- (c) abide by all Company policies and Cronos Group policies, as instituted and amended from time to time including but not limited to, the Cronos Group - Employee Handbook (Israel);
- (d) use best efforts to promote the interests and goodwill of the Company and not knowingly do, or permit to be done, anything which may be prejudicial to the Company's interests, it being understood and agreed that the Executive is a fiduciary of the Company and owes fiduciary obligations to the Company that are not extinguished by this Agreement;
- (e) identify and immediately report to the CEO any gross misrepresentations or violations of the Code of Business Ethics and Conduct or applicable law by the Company or its management; and
- (f) comply with the Sexual Harassment Prevention Law, 1998, as well as the with provisions of any regulations enacted by its virtue and with the Cronos Group's Policy for Prevention of Sexual Harassment at the workplace, act in accordance with said laws and policy.

## **5. Compensation and Benefits**

5.1 **Base Salary.** As of the Effective Date, the Company shall pay the Executive a monthly base salary of NIS 69,039 gross ("**Base Salary**"). The Base Salary shall be paid by direct deposit in accordance with the Company's payroll practices, on the date determined by the Company, however, no later than such date required by law in respect of the previous month.

5.2 **Performance Bonus.** In addition to the Base Salary, the Executive shall be eligible to participate in the Company's annual cash bonus plan as may be in effect from time to time, and to receive an annual bonus, subject to the terms and conditions of that plan as determined by the Company at its sole discretion. The Executive's annual target bonus opportunity shall initially be 45% of Base Salary, provided that the actual bonus amount, if any, will be determined pursuant to the terms of the applicable annual bonus plan. Nothing in this Agreement guarantees that the Company shall maintain an annual bonus plan, and the Company reserves the right to amend or terminate any annual bonus plan established or adopted at any time, without notice or further obligation (subject only to the minimum requirements of applicable legislation, if any). Subject to Section 6.2 of this Agreement, the Executive must be actively employed by the Company on the applicable payment date to be eligible for any annual bonus, unless provided otherwise pursuant to the applicable annual cash bonus plan. For certainty, if the Executive's employment is terminated by the Company with or without Justifiable Cause, or the Executive resigns or otherwise terminates employment for any reason, the Executive shall cease to be "actively employed" on the last day of employment as specified in the Company's or the Executive's written notice of termination, as applicable. There shall be no guarantee of a bonus in any given year.

5.3 **Advanced Study Fund - Keren Hishtalmut.**

- (a) The Company and the Executive shall maintain a Keren Hishtalmut (the "**Fund**"). Use of these funds shall be in accordance with the by-laws of the fund.

- (b) The Company shall contribute to the Fund an amount equal to 7.5% of Base Salary and the Executive shall contribute to such Fund an amount equal to 2.5% of Base Salary.
- (c) The Executive shall bear any applicable tax deriving from the aforementioned contributions. For the avoidance of any doubt, the Company shall not gross up any tax payable in respect of such contributions.

5.4 **Long-Term Incentive Opportunity.** The Executive shall be eligible to receive annual grants of equity-based awards over shares of Cronos Group, with an initial target incentive opportunity of 40% of the Base Salary (based on the grant date fair value of such awards), provided that the actual amount, if any, of the grants shall be determined by the board of directors of Cronos Group (the “**Board**”) or the Compensation Committee of the Board, as applicable, at its sole discretion. Any equity-based grants shall be governed by the terms and conditions of the equity award plan or any other applicable plan of Cronos Group and the applicable award agreement, except as expressly set forth herein. Such plan or plans may be amended from time to time at Cronos Group’s sole discretion. In the event of the cessation of the Executive’s employment for any reason, the Executive’s entitlements in respect of any equity-based awards shall be governed by the terms and conditions of the applicable equity award plan, any other applicable plan and the applicable award agreement. The Executive shall not be eligible for any further grants of equity-based awards following the effective date of termination or damages in lieu thereof, regardless of any applicable notice period, pay in lieu of notice, severance payment or similar amount.

#### 5.5 **Pension Insurance**

- (a) The Company and the Executive shall maintain Managers Insurance or a Pension Fund according to the Executive’s choice (“**Pension Insurance**”). The contribution to the Pension Insurance shall be as follows: (i) the Company shall contribute an amount equal to 6.5% of Base Salary payments as premium payments (the “**Company Contribution**”) and an additional 8.33% of Base Salary payments for severance payments; and (ii) the Executive shall contribute 6% of Base Salary payments as premiums payable in respect of Pension Insurance.
- (b) The Executive hereby instructs the Company to transfer to the Pension Insurance the amounts of the Executive’s and the Company’s contributions from each Base Salary payment, on account of the Pension Insurance.
- (c) In the event the Executive elects to obtain Managers Insurance, the Company Contribution shall include payments toward a disability insurance that would insure 75% of Base Salary (“**Disability Insurance**”), which may be included within the Managers Insurance policy, for the exclusive benefit of the Executive, provided that the Company’s contribution towards premium payments shall not be less than 5% of Base Salary. For the avoidance of any doubt, the Company Contribution together with any payments towards Disability Insurance shall not exceed 7.5% of the Base Salary.
- (d) The amounts accrued in the Pension Insurance shall be in lieu and in full and final substitution of any severance pay the Executive shall be or become entitled to under any applicable Israeli law. This Section is in accordance with Section 14 of the Severance Pay Law, and the General Approval of the Labor Minister, dated June 30, 1998, issued in accordance to the said Section 14, a copy of which is attached hereto as **Exhibit A**.

5.6 **Vacation.** The Executive shall be entitled accrue, on a pro-rata basis, twenty-two (22) Business Days paid vacation per year. “**Business Day**” means any day other than a Friday, Saturday or a day observed as a Jewish or National holiday in Israel. The Executive shall take vacation time at such times as are approved in advance by the Company. Vacation time entitlement shall be prorated for the period of the Executive’s active employment in the calendar year that the Executive commences and terminates employment, subject to applicable legislation. Vacation

will be accrued and may be carried over in accordance with the Company's vacation policy, as may be amended from time to time.

- 5.7 **Sick Leave.** Executive shall be entitled to such number of paid Sick Leave days during each year of employment as provided by Israeli Labor Law.
- 5.8 **Dmey Havra'ah (Recreation Pay).** The Executive shall be entitled to "Dmey Havra'ah" in accordance with any applicable law.
- 5.9 **Company Car.** The Company shall provide the Executive with a vehicle of a make, model and size determined by and available to the Company (the "Car"). In addition, the Company shall provide the Executive with gross-up payments equal to any taxes resulting from the value of the provision of the Car in accordance with applicable law. The Company will bear the cost of the Executive's monthly consumption of gas, based on the Company's policy, as may be modified from time to time. The Company shall not bear the costs of any tickets, penalties or fines of any kind. The Executive shall: (i) use the Car in accordance with applicable Company policies that may be in effect from time to time; (ii) take reasonable care of the Car and ensure that the provisions and conditions of any policy of insurance relating thereto are observed (including the provisions with respect to the protection of the Car); (iii) pay any tickets, penalties or fines of any kind that may be imposed as a result of the Executive's use of the Car, to the extent imposed as a result of an act or omission of the Executive, or anyone on his behalf, or authorized by him to use the Car, and the Executive authorizes the Company to deduct said amounts from any payment due from the Company to the Executive, including the Base Salary; and (iv) in the event that the Executive's employment terminates for any reason, return the Car to the Company along with the keys to the Car and all licenses and other documentation relating to the Car. The Executive shall not have any right of lien on the Car or any document or property relating thereto. It is clarified that the Car covers any travel cost to and from the Company's offices, as well as reasonable personal use, and the Executive is not entitled to any additional travel expenses.
- 5.10 **Mobile Phone Expenses.** The Company shall provide the Executive with a mobile phone (the "Mobile Phone") and shall pay for reasonable costs associated with the Executive's use of the Mobile Phone in accordance with applicable Company policy, as may be amended from time to time. The Executive is responsible for any costs associated with the Mobile Phone that exceed Company limits, and the Executive hereby authorizes the Company to deduct any such costs directly from the Base Salary. The Executive shall bear any tax liability arising from use of the Mobile Phone. The Executive will maintain the Mobile Phone in good working condition. The Executive shall not have any right of lien on the Mobile Phone or any document or property relating thereto.
- 5.11 **Business Expenses.** The Executive shall be reimbursed for all reasonable travel and other out-of-pocket expenses properly incurred by the Executive from time to time in connection with performance of the Executive's duties. The Executive shall furnish to the Company all invoices or statements in respect of expenses for which the Executive seeks reimbursement in accordance with the Company's policies or procedures for expense reimbursement, as may be amended from time to time.
- 5.12 **Deductions and Withholdings.** The Company shall make such deductions and withholdings from the Executive's remuneration and any other payments or benefits provided to the Executive pursuant to this Agreement as may be required by law.
- 5.13 **Clawback Policy; Share Ownership Guidelines.** The Executive agrees and acknowledges that any annual, long-term or other cash, equity or equity-based incentive or bonus compensation paid, provided or awarded to the Executive, is subject to the terms and conditions of any clawback or recapture policy that Cronos Group may adopt from time to time, and may be subject to the requirement that such compensation be repaid to the Company after it has been distributed to the Executive. The Executive agrees and acknowledges that the Executive shall be subject to Cronos Group's share ownership guidelines for the Executive's position, as the same may be in

effect or amended from time to time. As of the Effective Date, such guidelines require the Executive to achieve, within five years of the Effective Date and thereafter during the term of the Executive's employment with the Company, a level of share ownership equal to two times Base Salary.

## **6. Term and Termination of Employment**

- 6.1 The Executive's employment under this Agreement shall continue for an indefinite period of time. Notwithstanding, either the Company or the Executive may terminate this Agreement and the employment relationship by providing the other Party with one month of prior written notice (the "**Notice Period**"). The employer-employee relationship shall terminate upon completion of the Notice Period. Without derogating from the rights of the Company under this Agreement or any applicable law, the Company may terminate this Agreement at any time with immediate effect by paying to the Executive the legally required compensation in lieu of the Notice Period.
- 6.2 Upon termination by the Company without Justifiable Cause, the Executive shall be entitled, in addition to the Notice Period as described herein, to receive:
- (a) acclimation pay (dmeý histaglut) equal to one month of the Base Salary in effect at the time of termination for each completed year of service with the Company, subject to a minimum of six months of Base Salary (the "**Acclimation Pay**"); and
  - (b) if the Executive's employment terminates after the end of a fiscal year, but before the payment of any annual cash bonus in respect of such year, a cash bonus in respect of such completed fiscal year, payable as a lump sum when annual bonuses in respect of the fiscal year are paid to other senior executives of Cronos Group. Any assessment of the Company's and the Executive's performances for purposes of determining the amount of the annual cash bonus, if any, shall be at the Company's sole discretion.
  - (c) For the avoidance of any doubt, the Executive will not be entitled to the Acclimation Pay, or any part thereof, or to an annual cash bonus as described at paragraph (b) where applicable, if the Company terminates the Executive's employment for Justifiable Cause (as defined below) or if the Executive resigns from the Executive's employment with the Company.
- 6.3 During the Notice Period, whether notice has been given by the Executive or by the Company, the Executive shall continue to render his services to the Company unless instructed otherwise by the Company, and shall cooperate with the Company and use his best efforts to assist the transition of the Executive's duties and responsibilities and integration into the Company of such individual(s) who will assume the Executive's duties and responsibilities.
- 6.4 The Executive hereby expressly agrees that, following an invitation to a termination hearing or during the Notice Period, the Company may terminate the Executive's access to Company systems without providing the Executive with any prior notice and without being required to obtain the Executive's further consent.
- 6.5 Notwithstanding the foregoing, the Company may terminate this Agreement forthwith with immediate effect, at any time, by providing notice thereof to Executive, where such termination is for Justifiable Cause. In such event, without derogating from the Company's rights under this Agreement or any applicable law, the Executive shall not be entitled to any Notice Period, payment in lieu of any Notice Period, or the Acclimation Pay or severance pay of any kind.
- 6.6 The following reasons shall be deemed "**Justifiable Cause**":
- (a) the Executive commits a fundamental breach of this Agreement, including a breach of his covenants in Section 7 herein;

- (b) the Executive performs any act that entitles the Company legally to dismiss him without paying him any severance pay in connection with such dismissal;
- (c) the Executive breaches the Executive's duty of good faith to the Company, including but not limited to, theft, embezzlement, self-dealing, or prohibited disclosure of Confidential Information (as defined below) to any unauthorized individual, corporation (including not-for-profit), general or limited partnership, limited liability company, joint venture, association, joint-stock company, estate, trust, organization, governmental authority or other entity of any kind or nature ("**Person**");
- (d) the Executive's intentional gross misconduct in the performance of the Executive's obligations under this Agreement in a manner that causes or is likely to cause material harm to the Company; or
- (e) a conviction of the Executive for a crime involving moral turpitude.

## 7. **Restrictive Covenants**

### 7.1 Non-Disclosure

**1.1.1 Nondisclosure; Recognition of Company's Rights.** At all times during the Executive's employment with the Company and thereafter, the Executive must hold in confidence and not disclose, use, or publish, any of the Company's Confidential Information (as defined below), except (i) as required in connection with the performance of Executive's work for the Company, or (ii) with the CEO's express written authorization. In addition, the Executive must obtain the CEO's prior written approval before publishing or submitting for publication any material (written, oral, or otherwise) that relates to the Executive's work for the Company. All Confidential Information is and shall be the sole and exclusive property of the Company and its assigns. If the Executive's entire right, title and interest in the Confidential Information and any modifications thereto, are not transferred to the Company automatically by law, the Executive hereby irrevocably transfers and assigns to the Company any rights the Executive has or acquires in any Confidential Information. Except as otherwise expressly provided herein, this Agreement does not, and shall not be construed to, grant to the Executive any license or right of any nature with respect to any Confidential Information.

- (a) **Confidential Information.** "**Confidential Information**" means any and all confidential knowledge, data or information, in any form or medium, whether marked as confidential or proprietary or which under the circumstances ought to reasonably be treated as such, that is related, directly or indirectly, to the Group's business, as conducted or as proposed to be conducted, including without limitation: (a) trade secrets, copyrights, trademarks, patents, Intellectual Property (as defined below), Company Inventions (as defined below), Invention Records (as defined below), ideas, processes, computer source and object code, data, formulae, programs, other works of authorship, know-how, improvements, discoveries, developments, designs, and techniques; (b) information regarding products, actual or demonstrably anticipated research and development, marketing and business plans, budgets, financial statements, contracts, prices, suppliers, and customers; (c) information regarding compensation paid to any of the Group's employees, consultants, contractors, and other service providers; (d) the existence of any business discussions, negotiations, or agreements between the Group and any third party; (e) all memoranda, books, notes, records, email transmissions, charts, specifications, lists and other documents made, reproduced, compiled, received, held or used by the Executive in connection with the Executive's employment by the Company.

- (b) The Executive shall have no obligation under this Agreement to maintain in confidence any information that: (i) is in the public domain at the time of disclosure, (ii) though originally Confidential Information, subsequently enters the public domain other than by breach of the Executive's obligations hereunder or by breach of another Person's confidentiality obligations; or (iii) becomes available to Executive from a source independent of the Group and without confidentiality obligations, other than by breach of the Executive's obligations hereunder or by breach of another Person's confidentiality obligations. If the Executive is required to disclose any Confidential Information to comply with a court order or other government demand, the Executive shall, to the extent legally permissible, seek the highest level of protection available and give the Company as much prior notice as possible to provide a reasonable opportunity to seek a protective order.
- (c) **Third Party Information.** The Executive understands that the Company receives confidential and proprietary information from party parties (the "**Third Party Information**"), subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. During the Executive's employment and thereafter, the Executive shall hold Third Party Information in strict confidence and not disclose it to anyone, subject to Sections 7.1.3 and 7.17, other than to Company personnel who need such information in connection with their work for the Company. The Executive shall not use Third Party Information, except: (i) in connection with the Executive's work for the Company, or (ii) with the CEO's express written authorization.
- (d) **No Improper Use of Information of Third Parties.** The Executive represents that the Executive's employment by the Company does not and will not breach any obligation to or agreement with any third party (including, without limitation, former employers), including any non-compete agreement or any agreement to keep information acquired by the Executive in confidence or trust prior to the Executive's employment by the Company. The Executive further represents that the Executive has not entered into, and will not enter into, any agreement, either written or oral, in conflict herewith. During the Executive's employment by the Company, the Executive will not improperly use, disclose or incorporate into the Group's products, processes, machines or Company Inventions, any confidential information, trade secrets or proprietary information of any former employer or other third party, unless such party consented to such use and with the CEO's express written authorization.
- (e) **Further obligations.** Executive further agrees: (i) not to make copies of Confidential Information or any portions thereof except as authorized by the Company; (ii) not to alter or remove from any Confidential Information any proprietary, copyright, trademark, or trade secret notices or markings; (iii) to report to the Company of any breach or unusual event relating to Confidential Information; (iv) to adhere to any demands required by the Company (including third parties to whom it has confidentiality obligations) to prevent disclosure or use of Confidential Information (including Third Party Information) and minimize any damages relating to such use or disclosure; and (v) not to cause damage to the Group's reputation, customer database or business in any way whatsoever.
- (f) **Permitted Disclosure.** For the avoidance of doubt, nothing in this Agreement limits, restricts or in any other way affects the Executive communicating with any governmental authority or entity concerning matters relevant to the governmental authority or entity. No confidentiality or other obligation that the Executive owes to the Company prohibits the Executive from reporting

possible violations of law or regulation to any governmental authority or entity under any applicable whistleblower protection provision of applicable Israeli, Canadian, U.S. Federal or U.S. State law or regulation (including Section 21F of the Securities Exchange Act of 1934 or Section 806 of the Sarbanes-Oxley Act of 2002), or requires the Executive to notify the Company of any such report.

## **7.2 Intellectual Property**

### **(a) Definitions.**

1.1.1.1 “**Intellectual Property**” means any and all intellectual property rights and proprietary rights existing in any jurisdiction throughout the world, including any rights in or to:

- (a) patents, patent applications, patent rights, inventions, industrial designs, industrial design applications, industrial design rights, ideas, discoveries and invention disclosures (whether or not patentable), and any divisionals, continuations, continuations-in-part, reissues, renewals, reexaminations and extensions of any of the foregoing;
- (b) trademarks, service marks, trade names, trade dress, logos, packaging designs, slogans, other indicia of source, Internet domain names and URLs, and registrations and applications for registration of any of the foregoing and any divisionals and renewals thereof, together with any goodwill symbolized thereby;
- (c) copyrightable works (including with respect to software and compilations of data), whether published or unpublished, including all copyrights, copyright registrations and applications;
- (d) trade secrets, and confidential or proprietary information, data, know-how, techniques, designs, processes and formulas;
- (e) Germplasm, plant varieties, and applications and registrations for plant varieties issued by or pending before any Governmental Authority, including under the *Plant Variety Protection Act* (United States) or the *Plant Breeders’ Rights Act* (Canada); and
- (f) circuit topographies, database rights and software.

1.1.1.2 “**Germplasm**” means any living or preserved biological tissue or material which may be used for the purpose of plant breeding or propagation, including but not limited to plants, cuttings, seeds, clones, cells, tissues, plant materials, and genetic materials (including but not limited to nucleic acids, genes, promoters, reading frames, regulatory sequences, terminators, chromosomes whether artificial or natural, and vectors).

- (b) **Ownership of Company Inventions.** The Executive hereby agrees, acknowledges and declares that all Intellectual Property made, developed, conceived, reduced to practice or learned by the Executive, in whole or in part, whether alone or jointly with others, during the period of the Executive’s employment with the Company (including after hours, on weekends or during vacation time, even prior to the Effective Date) that (i) relate in any manner to the actual or demonstrably anticipated business, work, or research and development of the Company or the Group, (ii) are developed in whole or in part on the Company’s time or using Company’s equipment, supplies, facilities or Confidential Information, or (iii) result from or are suggested by any task assigned to the Executive or any work performed by the Executive for or on behalf of the Company or the Group, or by the scope of the Executive’s duties and responsibilities with the

Company or the Group (the “**Company Inventions**”) are, from their inception, and shall remain at all times the sole and exclusive property of the Company or its assigns.

- (c) **Assignment of Company Inventions.** Notwithstanding the forgoing, if an Executive’s entire right, title and interest in the Company Inventions are not transferred to the Company automatically by law, the Executive hereby irrevocably assigns and transfers to the Company and agrees to assign and transfer in the future, for no additional consideration or compensation, the Executive’s entire right, title and interest in and to all Company Inventions.
- (d) **Company Inventions Waiver.** Without derogating from the aforementioned, the Executive hereby explicitly waives any interest, claim or demand that the Executive may have for, or may be entitled to, with respect to any consideration, compensation or royalty in connection with the Company Inventions, including but not limited to, any claims for consideration, compensation or royalty pursuant to Section 134 of the Israeli Patents Law-1967 (the “**Patents Law**”). The Executive further waives the right to bring any claims, demands or allegations to receive compensation, consideration or royalties with respect to the Company Inventions before any competent authority, including without limitation the Committee for Compensation and Royalties under the Patents Law (the “**Committee**”). Notwithstanding the above, in the event that, despite the parties’ agreement hereunder and the aforementioned waiver, it is determined by any competent authority (including but not limited to the Committee) that for any reason whatsoever the Executive is or will be entitled to consideration, compensation or royalties in connection with one or more Company Inventions, the Executive agrees and acknowledges that the Special Consideration will be deemed the sole and final consideration, compensation or royalty payments to which Executive is, and will be, entitled to in connection with such Company Inventions. This Agreement is intended to serve as an “agreement” for the purpose of section 134 of the Patents Law.
- (e) **Prior Inventions.** The Executive has disclosed at **Exhibit B** a complete list of all Intellectual Property and Germplasm that the Executive has, or has caused to be, alone or jointly with others, conceived, developed, or reduced to practice prior to the commencement of the Executive’s employment by the Company, in which the Executive has an ownership interest or which the Executive has a license to use, and that the Executive wishes to have excluded from the scope of this Agreement (collectively referred to as “**Prior Inventions**”). If no Prior Inventions are listed in **Exhibit B**, the Executive warrants that there are no Prior Inventions. The Executive represents and warrants that, other than as disclosed under **Exhibit B**, the Executive does not possess any Intellectual Property or Germplasm of any third party, including but not limited to any prior employer or competitor of the Company, and the Executive shall not acquire or use the Intellectual Property or Germplasm of any third party in the course of performing duties pursuant to this Agreement. The Executive agrees that the Executive will not incorporate, or permit to be incorporated, Prior Inventions, including Germplasm, in any Company Invention and not to bring the Germplasm of any third party onto Company premises. Notwithstanding the foregoing, if in the course of the Executive’s employment with the Company, the Executive incorporates a Prior Invention into a Company process, machine, Company Invention or other work, the Executive shall, as a condition to such incorporation (i) seek the CEO’s prior written consent to such incorporation of Prior Inventions into such process, machine, Company Invention or other work; and (ii) grant the Company a non-exclusive, perpetual, fully-paid and royalty-free, irrevocable and worldwide license, with rights to sublicense through multiple levels of sub-licensees, to reproduce, make derivative works of, distribute, publicly perform, and publicly display in any

form or medium, whether now known or later developed, make, have made, use, sell, import, offer for sale, and exercise any and all present or future rights in, such Prior Invention. The Executive agrees that the Executive's failure to obtain the CEO's prior consent shall not affect the grant of license relating to Prior Inventions as specified under this Section 7.2.5.

- (f) **Waiver of Moral Rights.** The Executive hereby explicitly and irrevocably: (1) waives any interest, claim or demand for any Moral Rights that the Executive has or may have in the future, with respect to the Company Inventions in favor of the Company and the Group, and their heirs, successors, authorized licensees and users, and transferees; and (2) consents not to assert Moral Rights that the Executive may have in relation to any Company Invention against the Company or the Group, or their heirs, successors, authorized licensees and users, or transferees. "Moral Rights" as used herein, means the rights of an author under Section 45 of the Israeli Copyright Law, 2007, or any other similar provision under any law of any applicable jurisdiction, including the right of the author to be known as the author of their work; to prevent others from being named as the author of their work; or to prevent others from making deforming changes in their work in a manner that reflects negatively on their professional standing, their goodwill or dignity.
- (g) **Notice Obligations.** During the period of the Executive's employment with the Company and for one (1) year thereafter, the Executive shall promptly and fully disclose to the Company in writing (a) all Company Inventions authored, conceived, or reduced to practice by the Executive, either alone or with others; and (b) all Intellectual Property made, conceived or reduced to practice by Executive, alone or with others, regardless of Executive's opinion as to whether such Intellectual Property meets the definition of Company Inventions.
- (h) **Government or Third Party; Other Obligations.** The Executive also agrees to assign all of the Executive's right, title, and interest in and to any particular Company Invention to a third party as may be directed by the Company. The Executive further acknowledges that the Company may from time to time enter into agreements with other Persons that impose obligations or restrictions on the Company regarding Company Inventions or the confidential nature of such inventions. The Executive agrees to be bound by all such obligations and restrictions and to take all action necessary to discharge the obligations of the Company thereunder.
- (i) **Enforcement of Intellectual Property and Assistance.** During the Executive's employment and thereafter, the Executive shall assist the Company to obtain and enforce United States, Canadian, Israeli and foreign Intellectual Property relating to the Company Inventions in all jurisdictions and the Executive shall execute and deliver such further conveyance instruments and take such further actions as may be necessary or desirable to register such Intellectual Property by the competent authorities and evidence more fully the transfer of ownership of the Company Inventions to the Company and to defend and enforce the Intellectual Property. The Executive therefore agrees that, if necessary, the Executive will: (a) execute, acknowledge, and deliver any affidavits or documents of assignment and conveyance regarding the Company Inventions; (b) serve as witness or consultant as reasonably requested; (c) assert the Executive's Moral Rights against third parties not granted waivers of Moral Rights under Section 7.2.6, and appoint the Company, or its successor in title, as the Executive's representative in enforcing such Moral Rights; and (d) perform any other acts deemed necessary to carry out the intent of this Agreement.

(j) In the event the Company is unable, whether because of the Executive's mental or physical incapacity, unavailability, or for any other reason, to secure the Executive's signature on any document needed in connection with such purposes, the Executive hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as the Executive's agent and attorney-in-fact, which appointment is coupled with an interest, to act on the Executive's behalf to execute and file any such documents and to do all other lawfully permitted acts to further such purposes with the same legal force and effect as if executed by the Executive.

(k) **Germplasm.** In the course of performing duties pursuant to this Agreement, Executive shall only use Germplasm provided by the Company, and Executive agrees that any such Germplasm provided by the Company remains the sole property of the Company and that such Germplasm shall not be removed from Company premises without the prior written consent of the CEO.

(l) **Records.** The Executive agrees to keep and maintain adequate and current records (in the form of notes, sketches, drawings, flow charts, electronic data or recordings, laboratory notebooks and in any other form that is required by the Company) of all Company Inventions ("**Invention Records**"), which records shall be available to, and remain the sole property of, the Company at all times. The Executive agrees not to remove such records from the Company's place of business except as expressly permitted by the Company. Executive agrees to return all such records (including any copies thereof) to the Company at the time of termination of the Executive's employment with the Company and at any other such time as requested by the Company.

7.3 **Non-Competition.** The Executive shall not, at any time during the Executive's employment with the Company and for a period of one (1) year following the termination of this Agreement and the Executive's employment with the Company for any reason, either individually or in partnership or jointly or in conjunction with any Person, whether as principal, agent, consultant, employee, partner, director, shareholder (other than an investment of less than five (5) per cent of the shares of a company traded on a registered stock exchange or traded in the over the counter market in Canada), or in any other capacity whatsoever:

- (a) engage in employment or enter into a contract to do work related to the research into, development, cultivation, production, supply, sales or marketing of cannabis or cannabis derived products, or the development or provision of any services (including, but not limited to, technical and product support, or consultancy or customer services) which relate to cannabis or cannabis derived products (the "**Business**");
- (b) have any financial or other interest (including by way of royalty or other compensation arrangements) in or in respect of the business of any Person that carries on the Business; or
- (c) advise, lend money to or guarantee the debts or obligations of any Person that carries on the Business;

7.4 anywhere within Israel.

7.5 For purposes of this Section 7.3, "**cannabis**" means (a) any plant or seed, whether live or dead, from any species or subspecies of genus *Cannabis*, including *Cannabis sativa*, *Cannabis indica* and *Cannabis ruderalis*, marijuana (which has the meaning ascribed to such term under

applicable law, including the *Controlled Substances Act* (United States)) and industrial hemp (which has the meaning ascribed to such term and the term “hemp” under applicable law, including the *Industrial Hemp Regulations* (Canada) issued under the *Cannabis Act* and under the *Agricultural Marketing Act of 1946* (United States)) and any part, whether live or dead, of the plant or seed thereof, including any stalk, branch, root, leaf, flower, or trichome; (b) any material obtained, extracted, isolated, or purified from the plant or seed or the parts contemplated by clause (a) of this definition, including any oil, cannabinoid, terpene, genetic material or any combination thereof; (c) any organism engineered to biosynthetically produce the material contemplated by clause (b) of this definition, including any micro-organism engineered for such purpose; (d) any biologically or chemically synthesized version of the material contemplated by clause (b) of this definition or any analog thereof, including any product made by any organism contemplated by clause (c) of this definition; and (e) any other meaning ascribed to the term “cannabis” under applicable law, including the *Controlled Drugs and Substances Act* (Canada) and the *Cannabis Act* (Canada).

7.6 **Non-Solicitation of Customers.** The Executive shall not, during the Executive’s employment and for the one (1) year period immediately following the termination of the Executive’s employment for any reason, whether alone or for or in conjunction with any Person, whether as an employee, partner, director, principal, agent, consultant or in any other capacity whatsoever, directly or indirectly, solicit or attempt to solicit any Customer or Prospective Customer of the Company or the Group (each, a “**Subject Cronos Entity**”), for the purpose of obtaining the business of any Customer or Prospective Customer or persuading any such Customer or Prospective Customer to cease doing business with or reduce the amount of business it would otherwise provide to a Subject Cronos Entity. For the purpose of this Agreement: “**Customer**” means any Person that is a current customer or has been a customer of a Subject Cronos Entity during the term of the Executive’s employment with the Company, but in the event of the cessation of the Executive’s employment, “**Customer**” shall include only those current customers of a Subject Cronos Entity with whom the Executive had direct contact or access to Confidential Information by virtue of the Executive’s role as an employee of the Company at any time during the twelve-month period preceding the date of the cessation of the Executive’s employment; “**direct contact**” means direct communications with or by the Executive, whether in person or otherwise, for purposes of servicing, selling, or marketing on behalf of the Company, but only if such communications are more than trivial in nature, and in any case excluding bulk or mass marketing communications directed to multiple customers; and, “**Prospective Customer**” means any Person that has been actively contacted and solicited for its business by representatives of a Subject Cronos Entity, but in the event of the cessation of the Executive’s employment, “**Prospective Customer**” shall only those prospective customers contacted and solicited within the twelve-month period immediately preceding the date of the cessation of the Executive’s employment, with the involvement and knowledge of the Executive.

7.7 **Non-Solicitation of Employees.** The Executive shall not, except with the prior written consent of the CEO, during the Executive’s employment and for one (1) year following the termination of the Executive’s employment for any reason, whether alone or for or in conjunction with any Person, whether as an employee, partner, director, principal, agent, consultant or in any other capacity whatsoever, directly or indirectly, solicit or assist in the solicitation of any employee of a Subject Cronos Entity to leave such employment.

7.8 **Disclosure.** During the Executive's employment with the Company, the Executive shall promptly disclose to the CEO full information concerning any interest, direct or indirect, of the Executive (whether as owner, shareholder, partner, lender or other investor, director, officer, employee, consultant or otherwise) or any member of the Executive's immediate family, in any business which is reasonably known to the Executive to purchase or otherwise obtain services or products from, or to sell or otherwise provide services or products to the Company, the Group, or to any of their respective suppliers or Customers.

7.9 **Personal Information.** The Executive hereby consents to the Company, the Group, and their employees and contractors, wherever they may be located, utilizing and processing the Executive's personal information, including information regarding the Executive's salary, social benefits, evaluation and training, data collected from the Executive by the Company, and other data containing personal information with respect to the Executive (the "**Personal Information**"), for human resources management, audit and compliance purposes, other legitimate business purposes, and such other purposes as may be required by applicable law (collectively, the "**Purposes**"). The Executive is aware, understands and hereby agrees that the Personal Information shall be kept in the Company's databases, which may be located in Israel or abroad, and further consents to the transfer of the Personal Information, in whole or in part, to the Group's databases and to databases operated by third parties engaged by the Group, whether in Israel or abroad. Such third parties may use the Personal Information for the Purposes. All personnel records included in the Personal Information are considered confidential and access shall be limited and restricted to individuals on a "need to know" basis. The Company may share personnel records as needed internally and with third parties as reasonably required in connection with the Purposes. By signing this Agreement, the Executive confirms that the Executive was given the opportunity to ask and request details regarding the transfer and processing of Personal Information. The Executive further acknowledges that the Executive was made aware that the Executive is entitled to contact the Company with any question or concern regarding the Personal Information.

#### 7.10 **Computer Equipment**

- (a) The Executive undertakes to safeguard all electronic devices and equipment provided by the Company to the Executive. The Executive shall be responsible and liable for any damage caused to such equipment arising from the Executive's gross negligence or willful or malicious conduct, and the Executive hereby consents to Company deducting from the Executive's wages the cost of repairing or replacing (as appropriate in the circumstances) such equipment.
- (b) The Company email account provided to the Executive during the Executive's employment is a professional account and should only be used by the Executive for the purpose of performing the Executive's work for the Company. The Executive is required to use such account for only professional purposes.
- (c) The Company monitors and records copies of information stored on Company devices, including information saved to and transferred through Company computers, systems, email accounts and networks. Electronic monitoring is performed at all times, without prior notice and by various means: (i) to detect and prevent cyber attacks and system malfunctions; (ii) to investigate employee performance, behaviour or misconduct; and (iii) for other reasonable business purposes. The Executive shall refrain from transferring through or saving on any Company

devices or networks any personal information that the Executive does not want the Company to access. The Company may, at any time and without advance notice, restrict access to Company systems and networks, and to any electronic devices and equipment provided by the Company to the Executive.

- (d) The Executive understands and acknowledges that the Company uses security cameras at its premises and that all activities that occur within Company premises may be recorded and documented.

7.11 **Other Employment.** During the Executive's employment with the Company, the Executive shall not, except as a representative of the Company or with the CEO's prior written approval, whether paid or unpaid, be directly or indirectly engaged, concerned or have a financial interest in any capacity in any other business, trade, professional or occupation. The foregoing restrictions shall not prohibit the Executive from holding securities in any company, which do not exceed 5% of the issued share capital of such company, so long as Executive has no active role in such company as a director, officer, employee, consultant or otherwise.

7.12 **Return of Materials.** All files, forms, brochures, books, materials, written correspondence (including email and instant messages), memoranda, documents, manuals, computer disks, software products and lists (including financial and other information and lists of customers, suppliers, products and prices) pertaining to the Company which may come into the Executive's possession or control shall at all times remain the property of the Company. Upon termination of the Executive's employment for any reason, the Executive agrees to immediately deliver to the Company all such property of the Company in the Executive's possession or directly or indirectly under the Executive's control. The Executive agrees not to make, for the Executive's personal or business use or that of any other person, reproductions or copies of any such property or other property of the Company.

## 8. Approval of the Medical Cannabis Unit

8.1 The Executive is aware that, in light of the Company's field of business and pursuant to the Dangerous Drugs Ordinance [New Version], the regulations thereunder, and applicable law, the Executive's employment in the Position may require the approval of the Medial Cannabis Unit (the "**Yakar**"), which includes, inter alia, a background check of the Executive's criminal record conducted with the cooperation of the Israeli police force. It is clarified that the Yakar's approval may be required at any time during the Executive's employment with the Company.

8.2 The Executive hereby authorizes the Company to transfer any Personal Information as may be required by the Yakar or by any other related parties with respect to the Yakar's approval process, and undertakes to execute any requested document in this regard.

8.3 Without derogating from the Company's right to terminate this Agreement in accordance with the applicable law and the provisions of this Agreement, the Executive represents and acknowledges that, if the Company does not receive the Yakar's approval for the Executive to continue in the Position, or if such approval is withdrawn, the Company shall have the right to terminate the Executive's employment with immediate effect. The Parties agree that, notwithstanding Section 6 above, in such case of immediate termination, the Executive shall only be entitled to a notice period according to the applicable law, unless the Yakar approval is not obtained because the

Executive has engaged in conduct that amounts to Justifiable Cause, in which case Section 6.5 of this Agreement will apply.

**9. General**

9.1 This Agreement constitutes a “Notice” as defined in the Employee and Candidates Notification Law (Terms of Employment and Application Process) – 2002.

9.2 This Agreement is personal and shall not invoke the provisions of any collective bargaining agreement (“**Heskem Kibutsi**”), collective arrangement (“**Hesder Kibutsi**”), extension orders (“**Tzavei Har’hava**”) or any other custom, except and only to the extent so mandated by law.

9.3 The Executive undertakes to keep all his terms of employment (including and not limited to salary and vacation days) confidential.

9.4 **Reasonableness of Restrictions and Covenants.** The Executive hereby confirms and agrees that the covenants and restrictions contained in this Agreement, including, without limitation, those contained in Section 7, are reasonable and valid the Executive further acknowledges and agrees that the Company may suffer irreparable injury in the event of any breach by the Executive of the obligations under any such covenant or restriction. Accordingly, the Executive hereby acknowledges and agrees that damages would be an inadequate remedy at law in connection with any such breach and that the Company shall therefore be entitled, in addition to any other right or remedy which it may have at law, in equity or otherwise, to temporary and permanent injunctive relief enjoining and restraining the Executive from any such breach.

9.5 **Survival.** Section 7 and this Section survive the termination of this Agreement and the Executive’s employment for any reason whatsoever.

9.6 **Entire Agreement.** This is the entire agreement between the Parties on the subject matters addressed herein. There are no representations, warranties or collateral agreements, whether written or oral, outside of this written Agreement. This Agreement and the terms and conditions of employment contained herein supersede and replace any prior understandings or discussions between the Parties, including the Original Agreement, regarding the Executive’s employment.

9.7 **Amendments.** This Agreement may only be amended by written agreement executed by the Parties. However, changes to the Executive’s position, duties, vacation, benefits and compensation, over time in the normal course, do not affect the validity or enforceability of the Agreement.

9.8 **Governing Law.** This Agreement shall be governed solely by, and construed and enforced in accordance with, the laws of Israel without giving effect to principles of conflicts of law and the courts of Israel, District of Tel Aviv, shall have exclusive jurisdiction over the parties hereto and subject matter hereof.

9.9 **Severability.** If any provision in this Agreement is determined to be invalid or unenforceable, such provision shall be severed from this Agreement, and the remaining provisions shall continue in full force and effect.

- 9.10 **Assignment.** The Company may assign this Agreement to an affiliate or subsidiary, and it enures to the benefit of the Company, its successors or assigns.
- 9.11 **Independent Legal Advice.** The Executive acknowledge that the Executive has been encouraged to obtain independent legal advice regarding the execution of this Agreement, and that the Executive has either obtained such advice or voluntarily chosen not to do so, and hereby waives any objections or claims the Executive may make resulting from any failure on the Executive's part to obtain such advice.
- 9.12 **Waiver.** No waiver of any of the provisions of this Agreement shall be effective or binding, unless made in writing and signed by the party purporting to give the same. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions, whether or not similar, nor shall such waiver constitute a continuing waiver, unless expressly stated otherwise.
- 9.13 **Conditions.** This Agreement and the Executive's employment hereunder is conditional on the Company's satisfaction (determined in the Company's sole discretion) that the Executive has met the legal requirements to perform the Executive's role, including but not limited to satisfactory results of any applicable security clearance checks mandated under the laws of Israel, and criminal record checks and other reference checks that the Company or Cronos Group performs. The Executive acknowledges and agrees that in signing this Agreement and providing the Company with the necessary documentation to perform the checks required for the Position and with references, the Executive consents to the Company or its agent performing such checks and contacting references provided by the Executive to the Company.
- 9.14 **Prior Restrictions.** By signing below, the Executive represents that the Executive is not bound by the terms of any agreement with any person or entity which restricts in any way the Executive's hiring by the Company and the performance of the Executive's expected job duties; the Executive also represents that, during the Executive's employment with the Company, the Executive shall not disclose or make use of any Confidential Information of any other persons or entities in violation of any of their applicable policies, agreements or applicable law.
- 9.15 **Counterparts.** This Agreement may be executed in one or more counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by electronic transmission, including in portable document format (.pdf), shall be deemed as effective as delivery of an original executed counterpart of this Agreement.

*[Signature Page Follows]*

**IN WITNESS WHEREOF** this Agreement has been executed by the Parties as of this 1st day of April, 2024.

**CRONOS ISRAEL G.S. CULTIVATION LTD.**

By: /s/ Michael Gorenstein  
Name:  
Title:

**CRONOS GROUP INC.**

By: /s/ Michael Gorenstein  
Name: Michael Gorenstein  
Title: Chief Executive Officer and President

**ADAM WAGNER**

/s/ Adam Wagner

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## EXHIBIT A

### SECTION 14 APPROVAL

אישור כללי בדבר תשלומי מעבידים לקרן

פנסיה ולקופת ביטוח במקום פיצויי פיטורים

-לפי חוק פיצויי פיטורים, התשכ"ג 1963-

בתוקף סמכותי לפי סעיף 14 לחוק פיצויי פיטורים, התשכ"ג 1963-<sup>1</sup> (להלן: "החוק") אני מאשר כי תשלומים ששילם מעביד החל ביום פרסומו של אישור זה, בעד עובדיו לפנסיה מקיפה בקופת גמל לקצבה שאינה קופת ביטוח כמשמעותה בתקנות מס הכנסה (כללים לאישור ולניהול קופות גמל), התשכ"ד 1964-<sup>2</sup> (להלן: "קרן פנסיה"), או לביטוח מנהלים הכולל אפשרות לקצבה או שילוב של תשלומים לתוכנית קצבה ולתוכנית שאינה לקצבה בקופת ביטוח כאמור (להלן: "קופת ביטוח"), לרבות תשלומים ששילם תוך שילוב של תשלומים לקרן פנסיה ולקופת ביטוח, בין אם יש בקופת הביטוח תוכנית לקצבה ובין אם לאו (להלן: "תשלומי המעביד"), יבואו במקום פיצויי הפיטורים המגיעים לעובד האמור בגין השכר שממנו שולמו התשלומים האמורים ולתקופה ששולמו (להלן: "השכר המופטר"), ובלבד שנתקיימו כל אלה:

#### (1) תשלומי מעביד

לקרן פנסיה אינם פחותים מ- % 14 1/3 מן השכר המופטר או 12% מן השכר המופטר אם משלם המעביד בעד עובדו בנוסף לכך גם תשלומים להשלמת פיצויי פיטורים לקופת גמל לפיצויים או לקופת ביטוח על שם העובד בשיעור של % 2 1/3 מן השכר המופטר. לא שילם המעביד בנוסף ל- 12% גם % 2 1/3 כאמור, יבואו תשלומיו במקום 72% מפיצויי הפיטורים של העובד, בלבד;

לקופת ביטוח אינם פחותים מאחד מאלה:

(1) מן השכר המופטר, אם משלם המעביד בעד עובדו בנוסף לכך גם תשלומים להבטחת הכנסה חודשית במקרה אובדן כושר עבודה, בתכנית 13 1/3 % שאישר הממונה על שוק ההון ביטוח וחסכון במשרד האוצר, בשיעור דרוש להבטחת 75% מן השכר המופטר לפחות או בשיעור של % 2 1/2 מן ("השכר המופטר, לפי הנמוך מביניהם) (להלן: "תשלום לביטוח אובדן כושר עבודה");

(2) מן השכר המופטר, אם שילם המעביד בנוסף גם תשלום לביטוח אובדן כושר עבודה, ובמקרה זה יבואו תשלומי המעביד במקום 72% מפיצויי 11% הפיטורים של העובד, בלבד; שילם המעביד נוסף על אלה גם תשלומים להשלמת פיצויי פיטורים לקופת גמל לפיצויים או לקופת ביטוח על שם העובד בשיעור של % 2 1/3 מן השכר המופטר, יבואו תשלומי המעביד במקום 100% פיצויי הפיטורים של העובד.

(2) – לא יאוחר משלושה חודשים מתחילת ביצוע תשלומי המעביד נערך חוזה בכתב בין המעביד לבין עובד ובו

הסכמת העובד להסדר לפי אישור זה בנוסח המפרט את תשלומי המעביד ואת קרן הפנסיה וקופת הביטוח, לפי העניין: בחוזה האמור ייכלל גם נוסחו של אישור זה;

ויתור המעביד מראש על כל זכות שיכולה להיות לו להחזר כספים מתוך תשלומיו, אלא אם כן נשללה זכות העובד לפיצויי פיטורים בפסק דין מכוח סעיפים 16 או 17 לחוק ובמידה שנשללה או שהעובד משך כספים

מקרה הפנסיה או מקופת הביטוח שלא בשל אירוע מזכה; לעניין זה. "אירוע מזכה" – מוות, נכות או פרישה בגיל שישים או יותר.  
אין באישור זה כדי לגרוע מזכותו של עובד לפיצוי פיטורים לפי החוק, הסכם קיבוצי, צו הרחבה או חוזה עבודה, בגין שכר שמעבר לשכר המופטר.

**EXHIBIT B**

**PRIOR INVENTIONS**

**1. Prior Inventions Disclosure.** The following is a complete list of all Prior Inventions:

- None
- See immediately below:

—

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\* \* \* \* \*

May 6, 2025

Adam Wagner  
At the Address on file with the Company

Dear Adam,

This letter agreement (this "Letter Agreement"), effective as of May 6, 2025 (the "Effective Date"), sets forth the terms and conditions of our agreement regarding changes to your compensation. Capitalized terms used in this Letter Agreement that are not defined herein have the meanings set forth in your employment agreement with Cronos Israel G.S. Cultivation Ltd. (the "Company") and, solely for the purposes specified therein, Cronos Group Inc. ("Cronos Group"), dated as of April 2, 2024 (the "Employment Agreement").

1. **Position and Reporting Relationship.**

As of the Effective Date, your employment with the Company will continue in the position of Senior Vice President, Head of Cronos Israel. You will continue to be instructed by report to the Chief Executive Officer of Cronos Group.

2. **Compensation.**

As of the Effective Date: (a) the Base Salary will increase to ILS 1,118,432, less applicable deductions and withholdings; (b) your annual target bonus opportunity will increase to 50% of Base Salary; and (c) your target annual long-term incentive opportunity over shares of Cronos Group will increase to 50% of Base Salary.

3. **General.**

Except as expressly modified by this Letter Agreement, all terms and conditions of your employment, as set out in the Employment Agreement, including, without limitation, Section 6 ("Term and Termination of Employment") and Section 7 ("Restrictive Covenants"), remain unchanged and continue in full force and effect.

4. **Independent Legal Advice.**

You acknowledge that you have been encouraged to obtain independent legal advice regarding the execution of this Letter Agreement, and that you have either obtained such advice or voluntarily chosen not to do so, and hereby waive any objections or claims you may make resulting from any failure on your part to obtain such advice.

5. **Counterparts.**

This Letter Agreement may be executed in one or more counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Letter Agreement by electronic transmission, including in portable document format (.pdf), shall be deemed as effective as delivery of an original executed counterpart of this Letter Agreement.

If you agree that this Letter Agreement correctly memorializes our understandings, please sign and return this Agreement, which shall become a binding agreement as the Effective Date.

Sincerely,

**CRONOS ISRAEL G.S.  
CULTIVATION LTD., by its shareholder, Hortican Inc.**

By: /s/ Michael Gorenstein

Name: Michael Gorenstein

Title: President and Chief Executive Officer

**CRONOS GROUP INC.**

By: /s/ Michael Gorenstein

Name: Michael Gorenstein

Title: President and Chief Executive Officer

Accepted and Agreed:

/s/ Adam Wagner  
**Adam Wagner**

Date: May 7, 2025

October 31, 2025

Adam Wagner  
At the Address on file with the Company

Dear Adam,

Further to our recent discussions, this letter is to confirm that, effective as of October 30, 2025, your position title will be General Manager, Cronos Israel.

All other all terms and conditions of your employment, as set forth in your employment agreement with Cronos Israel G.S. Cultivation Ltd. and Cronos Group Inc., dated as of April 1, 2024, remain unchanged and continue in full force and effect.

Thank you for your continued commitment to the Company.

Yours truly,

/s/ Mike Gorenstein

**Mike Gorenstein**  
**President and Chief Executive Officer**

Accepted and agreed:

/s/ Adam Wagner

**Adam Wagner**

Date: November 3, 2025

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER  
PURSUANT TO SECTION 302 OF  
THE SARBANES-OXLEY ACT OF 2002**

I, Michael Gorenstein, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Cronos Group Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Michael Gorenstein

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Michael Gorenstein  
President and Chief Executive Officer  
(Principal Executive Officer)

Date: May 11, 2026

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER  
PURSUANT TO SECTION 302 OF  
THE SARBANES-OXLEY ACT OF 2002**

I, Anna Shlimak, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Cronos Group Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Anna Shlimak

Anna Shlimak

Chief Financial Officer

*(Principal Financial Officer)*

Date: May 11, 2026

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER  
PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 906  
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q for the period ended March 31, 2026 of Cronos Group Inc. (the "Company") as filed with the U.S. Securities and Exchange Commission (the "SEC") on the date hereof (the "Report"), I, Michael Gorenstein, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Michael Gorenstein

Michael Gorenstein  
President and Chief Executive Officer  
*(Principal Executive Officer)*

Date: May 11, 2026

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the SEC or its staff upon request.

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the SEC and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER  
PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 906  
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q for the period ended March 31, 2026 of Cronos Group Inc. (the “Company”) as filed with the U.S. Securities and Exchange Commission (the “SEC”) on the date hereof (the “Report”), I, Anna Shlimak, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Anna Shlimak

Anna Shlimak  
Chief Financial Officer

*(Principal Financial Officer)*

Date: May 11, 2026

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the SEC or its staff upon request.

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the SEC and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.