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CRONOS GROUP INC.

FORM 8-K
(Current report filing)

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

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

Date of Report (Date of earliest event reported): **November 5, 2026**

CRONOS GROUP INC.

(Exact name of registrant as specified in its charter)

British Columbia, Canada	**001-38403**	**N/A**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

4491 Concession Rd 12 **Stayner, Ontario** (Address of principal executive offices)	**L0M 1S0** (Zip Code)

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

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

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

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

Emerging growth company ☐

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

Item 2.02. Results of Operations and Financial Condition.

On November 5, 2026, Cronos Group Inc. (the "Company") issued a press release announcing its financial results for its third quarter ended September 30, 2026. A copy of the press release is attached as Exhibit 99.1 hereto and is incorporated by reference in this Current Report on Form 8-K.

The information in this Item 2.02, including Exhibit 99.1 attached hereto, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any filing or other document pursuant to the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing, except as shall be expressly set forth by specific reference in such a filing or document.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

Exhibit No.	Description
99.1	Press release issued by Cronos Group Inc., dated November 5, 2026.
104	Cover Page Interactive Data File – The cover page from Cronos Group Inc.'s Current Report on Form 8-K filed on November 5, 2026 is formatted in Inline XBRL.

SIGNATURES

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

CRONOS GROUP INC.

Dated: November 5, 2026

By: /s/ Michael Gorenstein

Name: Michael Gorenstein

Title: President and Chief Executive Officer

Cronos Group Reports 2026 Third Quarter Results

Organically achieved record net revenue, gross profit, and Adjusted EBITDA while reducing share count

Net revenue in Q3 2026 increased by 73% year-over-year on an organic, constant-currency basis

Generated record net revenue in Canada, with Spinach® maintaining #1 market share in vapes and edibles[1]

Eleventh consecutive quarter of record net revenue in Israel, where PEACE NATURALS® remains the #1 cannabis brand[2]

Delivered record net revenue in Germany

TORONTO, November 5, 2026 - Cronos Group Inc. (NASDAQ: CRON) (TSX: CRON) ("Cronos" or the "Company"), today announced its 2026 third quarter business results.

"Cronos organically achieved records across net revenue, gross profit, and Adjusted EBITDA for the second consecutive quarter, while at the same time reducing shares outstanding. In Canada, the Spinach® brand continued to gain significant market share, maintaining its #1 position in vapes for the third consecutive quarter and its #1 position in edibles for the ninth consecutive quarter,[1] while also making notable gains in pre-rolls and flower. Cronos Israel delivered its eleventh consecutive quarter of record net revenue, with PEACE NATURALS® maintaining its position as the leading cannabis brand in the country.[2] Outside of Israel, our international business also delivered another record net revenue quarter, led by strong demand in Germany," said Mike Gorenstein, Chairman, President and CEO of Cronos.

"Our strategic focus on the development and production of market-leading borderless products continues to pay off, reflected in another record quarter of results. With the closing of the CanAdelaar acquisition in October 2026, we've established a leadership position in Europe's largest adult-use cannabis market. Integration, including IP transfer, is well underway and we're excited to work with the CanAdelaar team to continue to bring innovative market-leading products to Dutch consumers. We maintain an industry-leading balance sheet, which, coupled with positive operating cash flow for the first nine months of 2026, enables us to invest in our growth strategy while returning capital to shareholders and maintaining flexibility to execute on attractive acquisition opportunities as they arise. We remain active under our share repurchase program and continue to believe the repurchases represent an attractive use of capital."

[1] Hifyre Retail Analytics - National Retail Dollar by Brand in Canada - Q3 2026.
[2] Market share and ranking information from pharmacy data collected by Cronos - Q3 2026.

Consolidated Financial Results

The tables below set forth our condensed consolidated results of operations, expressed in thousands of United States ("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.

(in thousands of USD)	Three months ended September 30,		Change		Nine months ended September 30,		Change	
	2026	2025	$	%	2026	2025	$	%
Net revenue	$ 63,450	$ 36,339	$ 27,111	75 %	$ 161,667	$ 102,056	$ 59,611	58 %
Cost of sales	29,525	17,501	12,024	69 %	79,085	54,894	24,191	44 %
Inventory write-down	1,642	506	1,136	225 %	2,695	592	2,103	355 %
Gross profit	$ 32,283	$ 18,332	$ 13,951	76 %	$ 79,887	$ 46,570	$ 33,317	72 %
Gross margin[i]	50.9 %	50.4 %	N/A	0.5 pp	49.4 %	45.6 %	N/A	3.8 pp
Inventory step-up recorded to cost of sales	—	—	—	N/A	—	517	(517)	N/A
Adjusted Gross Profit[ii]	$ 32,283	$ 18,332	$ 13,951	76 %	$ 79,887	$ 47,087	$ 32,800	70 %
Adjusted Gross Margin[iii]	50.9 %	50.4 %	N/A	0.5 pp	49.4 %	46.1 %	N/A	3.3 pp
Net income (loss)	$ 17,826	$ 28,321	$ (10,495)	(37) %	$ 69,200	$ (2,438)	$ 71,638	N/M
Adjusted EBITDA[ii]	$ 17,076	$ 5,677	$ 11,399	201 %	$ 35,243	$ 9,654	$ 25,589	265 %
Other Data								
Cash and cash equivalents, restricted cash and interest-bearing deposits[iv]	$ 840,629	$ 824,170	$ 16,459	2 %				
Cash and cash equivalents[iv]	411,191	784,170	(372,979)	(48) %				
Restricted cash[iv]	3,826	—	3,826	N/A				
Short-term investments[iv]	329,983	40,000	289,983	725 %				
Non-current interest-bearing deposits[iv]	95,629	—	95,629	N/A				
Capital expenditures[v]	9,949	4,588	5,361	117 %	13,702	23,782	(10,080)	(42) %

(i) Gross margin is defined as gross profit divided by net revenue.

(ii) *See "Non-GAAP Measures" for more information, including a reconciliation of adjusted earnings (loss) before interest, taxes, depreciation and amortization ("Adjusted EBITDA") to net income (loss) and a reconciliation of Adjusted Gross Profit to gross profit.*

(iii) Adjusted Gross Margin is defined as Adjusted Gross Profit divided by net revenue. See Non-GAAP Measures for more information.

(iv) Dollar amounts are as of the last day of the period indicated.

(v) Capital expenditures represents component information of investing activities and is defined as the sum of purchase of property, plant and equipment, and purchase of intangible assets.

Third Quarter 2026

- Net revenue of $63.5 million in Q3 2026 increased by $27.1 million from Q3 2025. The increase was primarily due to higher cannabis flower sales in Israel and other countries, specifically Germany, which carry no excise taxes, and higher cannabis flower and extract sales in the Canadian market. In addition, net revenue benefited from the strengthening of the New Israeli Shekel versus the U.S. dollar in the current period.
- Gross profit of $32.3 million in Q3 2026 increased by $14.0 million from Q3 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. Higher sales volumes led to higher net revenue and efficiencies as fixed overhead costs were spread over greater volumes.
- Net income was $17.8 million in Q3 2026, compared to net income of $28.3 million in Q3 2025. The lower net income was primarily due to lower other income, higher operating expenses, and income tax provision compared to a benefit in the prior year, partially offset by higher gross profit.

- Adjusted EBITDA of $17.1 million in Q3 2026 improved by $11.4 million from Q3 2025. The improvement was primarily driven by higher gross profit, partially offset by higher operating expenses due to higher sales and marketing and general and administrative costs.

Business Updates

Brand and Product Portfolio

Spinach®[3]

The Spinach® brand remained Canada's #2 overall cannabis brand in Q3 2026, with national market share expanding to 6.3%. During the quarter, Canadian retail sales of Spinach® branded products increased by 41% year-over-year, relative to nationwide retail sales growth of 1%.

In edibles, Spinach® remained the #1 brand in Canada for the ninth consecutive quarter, with market share rising to 21.8%. In Q3 2026, four SOURZ by Spinach® gummies products ranked among the top 7 edibles nationally, including the top-selling edibles SKU in Canada, the Fully Blasted Blue Raspberry Watermelon 10 Pack.

In September 2026, Cronos expanded the SOURZ by Spinach® product lineup with the launch of the SOURZ by Spinach® Fully Blasted Blue Raspberry Lemonade gummies in Canada, the brand's first gummy infused with 100% live resin. In October 2026, Cronos brought the seasonal Caramel Green Apple flavor to the SOURZ by Spinach® Fully Blasted portfolio for the first time, with a limited-edition offering available in Canada this fall.

Spinach® remained the #1 vape brand in Canada for the third consecutive quarter, with total vape market share across all formats expanding to 11.4%. Within vape cartridges specifically, Spinach® remained #1 for the fourth consecutive quarter, with market share expanding to 12.1%. In all-in-one vapes, Spinach® continued to gain share following the late 2025 launch of Spinach® PUFFERZ™, with market share increasing to 10.2%. Notably, during Q3 2026, six of the eight best-selling vape SKUs nationwide across all formats were Spinach® vape products.

In Q3 2026, Cronos strengthened its market-leading vape portfolio with the launch of two new flavors in Canada, the Spinach® Strawberry Banana 1.2g vape and the Spinach® Sweet Citrus Punch 1g liquid diamonds vape. Additionally, in October 2026, Cronos re-introduced the fan-favorite seasonal limited-edition Sweet Green Apple 1g vape.

In flower, Spinach® remained #3 in Canada, with market share expanding to 6.1%. During Q3 2026, two Spinach® flower products ranked among the top 7 flower SKUs nationally.

In pre-rolls, Spinach® rose to #5 in Canada, with market share increasing to 3.3%, as the renovation of the brand's pre-roll assortment continues to gain traction. In the third quarter of 2026, Spinach® ranked #6 in infused pre-rolls, with market share increasing to 3.8%, and ranked #6 in traditional pre-rolls, with market share increasing to 3.0%, led by demand for Spinach® 2x1g offerings.

Medical Cannabis (including PEACE NATURALS® and LIT™)[4]

Cronos Israel delivered its eleventh consecutive quarter of record net revenue in Q3 2026, with net revenue growing 33% year-over-year (19% growth on a constant-currency basis), as the PEACE NATURALS® brand continued to expand its lead in the Israeli medical cannabis market.

Cronos continued to generate strong growth internationally in Q3 2026, with the Company's international business ex-Israel delivering record net revenue, increasing 614% year-over-year, led by strong demand for the Company's flower products, particularly in Germany. The robust growth in sales of Cronos flower products reflects the benefits of Cronos' advanced genetic breeding program and industry-leading cultivation capabilities, strengths discussed at Cronos' September 24, 2026 Investor Day, the detailed presentation and replay of which are available on our website at https://ir.thecronosgroup.com/events-presentations.

[3] Hifyre Retail Analytics - National Retail Dollar by Brand in Canada - Q3 2026.
[4] Market share and ranking information from pharmacy data collected by Cronos - Q3 2026.

Transactions

Following the end of the third quarter, the Company completed the acquisition of CanAdelaar B.V. (“CanAdelaar”) on October 15, 2026. Please refer to the associated press release and the Company’s filings on EDGAR and SEDAR+ for additional information. In connection with the acquisition, Christopher Martens, former CEO of CanAdelaar, was appointed General Manager of Cronos Netherlands. Since 2018, Christopher had served as Chief Executive Officer and Co-Founder of CanAdelaar, which grew to be the leading operator in the *Wietexperiment*, the Netherlands’ adult-use cannabis pilot program. Prior to founding CanAdelaar, Christopher held professional roles at Red Bull.

Share Repurchases

During Q3 2026, the Company repurchased 3.2 million shares for total consideration of $9.4 million. In the first nine months of the 2026 fiscal year, the Company repurchased 15.5 million shares for total consideration of $42.3 million.

Conference Call

The Company will host a conference call and live audio webcast on Thursday, November 5, 2026, at 8:30 a.m. ET to discuss 2026 third quarter business results. An audio replay of the call will be archived on the Company’s website for replay. Instructions for the live audio webcast are provided on the Company’s website at *https://ir.thecronosgroup.com/events-presentations.*

About Cronos

Cronos is a global cannabis company focused on scaling leading consumer goods products through R&D 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™, Lord Jones® and C.O.G. For more information about Cronos and its brands, please visit: thecronosgroup.com.

Forward-Looking Statements

This press release contains 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 investigations or proceedings by the Trade Levies Commissioner of the Israel Ministry of Economy and Industry or other Israeli governmental authorities concerning alleged dumping of medical cannabis imports from Canada into Israel (collectively, the "Anti-Dumping Matters"), including the timing and outcome thereof, any anti-dumping duty or other measure that may be imposed and the impact thereof on the Company's ability to import and sell products in Israel;
- 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 employees, facilities, and operations in Israel, the supply of product in the market and the demand for product by medical patients in Israel, and our operating costs, 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 maintain, expand and distribute the PEACE NATURALS® brand in those markets;
- expectations related to 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 the 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 anticipated benefits of the completed 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 acquisition of CanAdelaar, including the anticipated costs, benefits and integration matters associated therewith and the performance of the business from and following closing, the outcome of regulatory and judicial proceedings involving CanAdelaar, potential penalties and the operation of contractual indemnities and resulting payments;
- expectations related to 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 R&D initiatives in cannabinoids, or the success thereof;
- expectations regarding revenues, expenses, gross margins, Adjusted EBITDA (as defined below), profitability, cash flows, foreign currency effects, interest income 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;
- our liquidity, capital resources and future cash requirements, including the sufficiency of our cash and cash equivalents and short-term investments to fund our business operations, acquisitions, strategic investments, share repurchases and capital expenditures;
- 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, U.S. Food and Drug Administration, the U.S. Drug Enforcement Administration, the U.S. Federal Trade Commission, the U.S. Patent and Trademark Office 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, the timing and outcome of the pending broader marijuana rescheduling proceedings, the implementation and impact of amendments to the federal definition of hemp, 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 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, 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 Matters, any anti-dumping duty or other measure that may be imposed and the impact thereof on our operations in Israel; (ii) our ability to effectively navigate developments related to the Middle East Conflict and its impact on our employees, facilities and operations in Israel, the supply of product in the market and demand for product by medical patients in Israel, and our operating costs; (iii) our ability to efficiently and effectively maintain and expand our distribution of our PEACE NATURALS® brand in markets outside of Canada and Israel; (iv) our ability to identify and execute legally permissible opportunities to re-enter the U.S. market; (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 completed 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 integrate CanAdelaar, maintain its regulatory authorizations and operations, address regulatory proceedings and potential penalties, and realize any expected benefits, synergies and operational performance associated with the 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 and the sufficiency of our cash and cash equivalents and short-term investments to fund our business operations, acquisitions, strategic investments, share repurchases and capital expenditures; (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 press release 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 Matters, 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, facilities 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 completed 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 successfully integrate CanAdelaar or realize the anticipated benefits of the acquisition, and that adverse outcomes of regulatory proceedings, or changes to, suspension, termination or non-extension of the Dutch Controlled Cannabis Supply Chain Experiment, could disrupt CanAdelaar's operations, increase costs or reduce the value of our investment; 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; insufficient cash flow, liquidity or capital resources to execute our business plan (either within the expected timeframe or at all), fund our operations, acquisitions, strategic investments, share repurchases or capital expenditures; 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 I, Item 1A "Risk Factors" of the Annual Report on Form 10-K for the year ended December 31, 2025 and under Part II, Item 1A "Risk Factors" in our Quarterly Reports. 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 press release 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.

As used in this press release, "CBD" means cannabidiol and "U.S. hemp" has the meaning given to the term "hemp" in the U.S. Agricultural Improvement Act of 2018, as amended and in effect as of the date of this press release, including hemp-derived CBD.

Cronos Group Inc.

Condensed Consolidated Balance Sheets

(In thousands of U.S. dollars, except share amounts, unaudited)

	As of September 30, 2026	As of December 31, 2025
Assets		
Current assets		
Cash and cash equivalents	$ 411,191	$ 791,794
Restricted cash	3,826	—
Short-term investments	329,983	40,000
Accounts receivable, net	44,227	34,099
Interest receivable	7,888	8,654
Current income tax receivable	97	12,431
Other receivables	1,217	2,014
Current portion of loans receivable, net	79	—
Inventory, net	54,524	46,750
Prepaids and other current assets	6,276	8,344
Total current assets	859,308	944,086
Non-current interest-bearing deposits	95,629	—
Other investments	5,424	7,664
Non-current portion of loans receivable, net	17,485	20,847
Property, plant and equipment, net	144,051	145,865
Right-of-use assets	1,191	1,422
Goodwill	63,984	66,478
Intangible assets, net	7,653	8,890
Deferred tax assets	3,284	1,888
Total assets	$ 1,198,009	$ 1,197,140
Liabilities		
Current liabilities		
Accounts payable	$ 15,771	$ 11,640
Income taxes payable	5,935	—
Accrued liabilities	45,589	36,210
Current portion of lease obligation	299	337
Total current liabilities	67,594	48,187
Non-current portion due to non-controlling interests	—	733
Non-current portion of lease obligation	912	1,172
Deferred tax liabilities	4,891	4,089
Total liabilities	73,397	54,181
Shareholders' equity		
Share capital and additional paid-in capital (no par value; authorized for issue as of September 30, 2026 and December 31, 2025: unlimited; shares outstanding as of September 30, 2026 and December 31, 2025: 367,528,366 and 381,592,969, respectively)	624,057	662,983
Retained earnings	506,110	447,756
Accumulated other comprehensive loss	(58,228)	(16,842)
Total equity attributable to shareholders of Cronos Group	1,071,939	1,093,897
Non-controlling interests	52,673	49,062
Total shareholders' equity	1,124,612	1,142,959
Total liabilities and shareholders' equity	$ 1,198,009	$ 1,197,140

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)	Three months ended September 30,		Nine months ended September 30,	
	2026	**2025**	**2026**	**2025**
Net revenue, before excise taxes	$ 83,904	$ 48,828	$ 213,466	$ 134,978
Excise taxes	(20,454)	(12,489)	(51,799)	(32,922)
Net revenue	63,450	36,339	161,667	102,056
Cost of sales	29,525	17,501	79,085	54,894
Inventory write-down	1,642	506	2,695	592
Gross profit	32,283	18,332	79,887	46,570
Operating expenses				
Sales and marketing	7,137	5,301	19,537	15,213
Research and development	1,336	1,345	3,964	3,067
General and administrative	12,000	9,254	34,539	29,099
Restructuring costs	115	212	907	1,535
Share-based compensation	2,310	2,333	5,180	5,802
Depreciation and amortization	359	354	1,163	1,717
Impairment loss on long-lived assets	—	36	—	36
Total operating expenses	23,257	18,835	65,290	56,469
Operating income (loss)	9,026	(503)	14,597	(9,899)
Other income (expense)				
Interest income, net	9,241	11,742	26,910	30,404
Gain (loss) on revaluation of financial instruments	918	4,066	(2,181)	3,475
Foreign currency gain (loss)	(230)	19,785	33,688	(18,170)
Loss on held-for-sale assets	—	(3,031)	—	(5,532)
Change in allowance for credit loss on non-operating loan and interest-bearing deposits	(231)	(4,771)	(445)	(4,771)
Other, net	—	(283)	8	(241)
Total other income	9,698	27,508	57,980	5,165
Income (loss) before income taxes	18,724	27,005	72,577	(4,734)
Income tax provision (benefit)	898	(1,316)	3,377	(2,296)
Net income (loss)	17,826	28,321	69,200	(2,438)
Net income attributable to non-controlling interest	4,022	2,363	9,559	5,193
Net income (loss) attributable to Cronos Group	$ 13,804	$ 25,958	$ 59,641	$ (7,631)
Comprehensive income				
Net income (loss)	$ 17,826	$ 28,321	$ 69,200	$ (2,438)
Other comprehensive income (loss)				
Foreign exchange gain (loss) on translation	(2,629)	(26,005)	(43,636)	31,141
Comprehensive income	15,197	2,316	25,564	28,703
Comprehensive income attributable to non-controlling interests	3,900	1,629	7,309	6,484
Comprehensive income attributable to Cronos Group	$ 11,297	$ 687	$ 18,255	$ 22,219
Net income (loss) per share				
Basic net income (loss) per share attributable to Cronos Group	$ 0.04	$ 0.07	$ 0.16	$ (0.02)
Diluted net income (loss) per share attributable to Cronos Group	$ 0.04	$ 0.07	$ 0.16	$ (0.02)

Cronos Group Inc.

Condensed Consolidated Statements of Cash Flows

(In thousands of U.S. dollars, except share amounts, unaudited)

	Nine months ended September 30,	
	2026	**2025**
Operating activities		
Net income (loss)	$ 69,200	$ (2,438)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Share-based compensation	5,180	5,802
Depreciation and amortization	11,812	10,574
Impairment loss on long-lived assets	—	36
(Gain) loss from investments	2,181	(3,482)
Changes in expected credit losses	438	4,766
Loss on held-for-sale assets	—	5,532
Inventory step-up recorded to cost of sales	—	517
Foreign currency (gain) loss	(33,688)	18,170
Other non-cash operating activities, net	(167)	2,367
Changes in operating assets and liabilities:		
Accounts receivable, net	(10,800)	(10,510)
Interest receivable	(841)	2,095
Current income tax receivable	12,127	1,609
Other receivables	827	(668)
Prepaids and other current assets	1,912	(2,348)
Inventory, net	(8,916)	(13,025)
Accounts payable	4,443	(1,227)
Income taxes payable	6,075	(9)
Accrued liabilities	9,461	(3,730)
Net cash provided by operating activities	69,244	14,031
Investing activities		
Purchase of short-term investments	(330,000)	(40,000)
Proceeds from short-term investments	40,000	—
Purchase of non-current interest-bearing deposits	(95,700)	—
Purchase of other investments	—	(5,107)
Advances on loans receivable	—	(13,307)
Proceeds from repayment on loans receivable	3,480	2,855
Purchase of property, plant and equipment	(13,563)	(23,578)
Purchase of intangible assets	(139)	(204)
Net cash used in investing activities	(395,922)	(79,341)
Financing activities		
Repurchases of common stock	(42,268)	(5,471)
Dividend paid to non-controlling interest	(3,698)	(3,858)
Withholding taxes paid on share-based awards	(2,025)	(3,153)
Other financing activities, net	(577)	—
Net cash used in financing activities	(48,568)	(12,482)
Effect of foreign currency translation on cash and cash equivalents and restricted cash	(1,531)	3,157
Net change in cash and cash equivalents and restricted cash	(376,777)	(74,635)
Cash and cash equivalents and restricted cash, beginning of period	791,794	858,805
Cash and cash equivalents and restricted cash, end of period	$ 415,017	$ 784,170
Supplemental cash flow information		
Interest paid	$ 215	$ —
Interest received	$ 26,835	$ 32,148
Income taxes paid	$ 22	$ 68

Non-GAAP Measures

Cronos reports its financial results in accordance with Generally Accepted Accounting Principles in the United States ("U.S. GAAP"). This press release 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 press release 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 and interest-bearing deposits; 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 our 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 with respect to the High Tide Loan (see Note 4 "Loans Receivable, net" to the condensed consolidated financial statements under Item 1 of our Quarterly Report for further information). 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. Beginning in the third quarter of 2026, the Company modified the composition of Adjusted EBITDA to exclude the impact of the provision for expected credit losses recognized under ASC 326 related to the Company's guaranteed investment certificates held in cash equivalents, short-term investments, and non-current interest-bearing deposits (see Note 1 "*Background, Basis of Presentation, and Summary of Significant Accounting Policies*" to the condensed consolidated financial statements under Item 1 of our Quarterly Report for further information). Management determined that excluding these non-cash provisions provides investors with additional insight into period-over-period operating performance by isolating credit-risk movements unrelated to the Company's core operations.

These changes do not affect the Company's GAAP financial statements.

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

	Three months ended September 30, 2026
Net income	$ 17,826
Interest income, net	(9,241)
Income tax provision	898
Depreciation and amortization	4,711
EBITDA	14,194
Gain on revaluation of financial instruments[(i)]	(918)
Foreign currency transaction loss	230
Transaction costs[(ii)]	447
Restructuring costs[(iv)]	115
Share-based compensation[(v)]	2,310
Restatement litigation costs[(vi)]	90
Israel Ministry of Economy and Industry dumping inquiry expense[(vii)]	377
Change in allowance for credit loss on non-operating loan and interest-bearing deposits[(viii)]	231
Adjusted EBITDA	$ 17,076

	Three months ended September 30, 2025
Net income	$ 28,321
Interest income, net	(11,742)
Income tax benefit	(1,316)
Depreciation and amortization	3,532
EBITDA	18,795
Gain on revaluation of financial instruments[(i)]	(4,066)
Foreign currency transaction gain	(19,785)
Transaction costs[(ii)]	547
Other, net[(iii)]	283
Restructuring costs[(iv)]	212
Share-based compensation[(v)]	2,333
Restatement litigation costs[(vi)]	(624)
Israel Ministry of Economy and Industry dumping inquiry expense[(vii)]	144
Change in allowance for credit loss on non-operating loan[(viii)]	4,771
Impairment loss on long-lived assets[(ix)]	36
Loss on held-for-sale assets[(x)]	3,031
Adjusted EBITDA	$ 5,677

	Nine months ended September 30, 2026
Net income	$ 69,200
Interest income, net	(26,910)
Income tax provision	3,377
Depreciation and amortization	11,812
EBITDA	57,479
Loss on revaluation of financial instruments[(i)]	2,181
Foreign currency transaction gain	(33,688)
Transaction costs[(ii)]	1,987
Other, net[(iii)]	(8)
Restructuring costs[(iv)]	907
Share-based compensation[(v)]	5,180
Restatement litigation costs[(vi)]	357
Israel Ministry of Economy and Industry dumping inquiry expense[(vii)]	403
Change in allowance for credit loss on non-operating loan and interest-bearing deposits[(viii)]	445
Adjusted EBITDA	$ 35,243

	Nine months ended September 30, 2025
Net loss	$ (2,438)
Interest income, net	(30,404)
Income tax benefit	(2,296)
Depreciation and amortization	10,574
EBITDA	(24,564)
Gain on revaluation of financial instruments[(i)]	(3,475)
Foreign currency transaction loss	18,170
Transaction costs[(ii)]	619
Other, net[(iii)]	241
Restructuring costs[(iv)]	1,535
Share-based compensation[(v)]	5,802
Restatement litigation costs[(vi)]	(186)
Israel Ministry of Economy and Industry dumping inquiry expense[(vii)]	656
Change in allowance for credit loss on non-operating loan[(viii)]	4,771
Impairment loss on long-lived assets[(ix)]	36
Loss on held-for-sale assets[(x)]	5,532
Inventory step-up recorded to cost of sales[(xi)]	517
Adjusted EBITDA	$ 9,654

(i) For the three months ended September 30, 2026, the gain on revaluation of financial instruments was driven by a gain related to the Company's High Tide Warrant, partially offset by a loss related to the Company's equity securities in Vitura Health Limited ("Vitura"). For the nine months ended September 30, 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 September 30, 2025, the gain on revaluation of financial instruments was driven by gains related to the Company's High Tide Warrant and its equity securities in Vitura. For the nine months ended September 30, 2025, the gain related to the High Tide Warrant was partially offset by a loss related to the Company's equity securities in Vitura.

(ii) For the three and nine months ended September 30, 2026, transaction costs represented fees related to the acquisition of CanAdelaar B.V. and other discrete strategic initiatives. For the three and nine months ended September 30, 2025, transaction costs represented legal, financial and other advisory fees and expenses incurred in connection with the Cronos GrowCo Transaction and discrete strategic initiatives. These costs are included in general and administrative expenses on the condensed consolidated statement of net income (loss) and comprehensive income (loss).

(iii) For the nine months ended September 30, 2026, other, net related primarily to rental income. For the three and nine months ended September 30, 2025, other, net related to (gain) loss on disposal of assets and dividend income.

(iv) For the three and nine months ended September 30, 2026, restructuring costs related to IT infrastructure and finance transformation costs associated with the Realignment. For the three and nine months ended September 30, 2025, restructuring costs related to employee-related severance costs and IT infrastructure and finance transformation costs associated with the Realignment.

(v) For the three and nine months ended September 30, 2026 and 2025, share-based compensation related to the expenses of share-based compensation awarded to employees and deferred share units issued to our Board of Directors, each under the Company's share-based award plans.

(vi) For the three and nine months ended September 30, 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. In addition, the three and nine months ended September 30, 2025, include certain cost recoveries associated with previously incurred restatement litigation costs.

(vii) For the three and nine months ended September 30, 2026 and 2025, Israel Ministry of Economy and Industry dumping inquiry expense included expenditures relating to regulatory investigations and proceedings about alleged dumping of medical cannabis imports from Canada into Israel and related litigation and external relations expenses.

(viii) For the three and nine months ended September 30, 2026 and 2025, change in allowance for credit loss on non-operating loan and interest-bearing deposits related primarily to the allowance recognized on the High Tide loan receivable. The three and nine months ended September 30, 2026, also include expected credit losses on the Company's cash equivalents, short-term investments, and non-current interest-bearing deposits.

(ix) For the three and nine months ended September 30, 2025, impairment loss on long-lived assets related to equipment no longer in use.

(x) For the three and nine months ended September 30, 2025, loss on held-for-sale assets related to a revaluation of the assets held for sale at the Company's Winnipeg, Manitoba facility.

(xi) For the nine months ended September 30, 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).

For the three months ended September 30, 2026, Adjusted EBITDA was $17.1 million, representing an improvement of $11.4 million from the three months ended September 30, 2025. For the nine months ended September 30, 2026, Adjusted EBITDA was $35.2 million, representing an improvement of $25.6 million from the nine months ended September 30, 2025. For the three month comparative period, the improvement was primarily due to higher gross profit, partially offset by higher operating expenses due to higher sales and marketing and general and administrative costs. For the nine month comparative period, 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 September 30,		Change		Nine months ended September 30,		Change	
	2026	2025	$	%	2026	2025	$	%
Net revenue	$ 63,450	$ 36,339	$ 27,111	75 %	$ 161,667	$ 102,056	$ 59,611	58 %
Gross profit	$ 32,283	$ 18,332	$ 13,951	76 %	$ 79,887	$ 46,570	$ 33,317	72 %
Inventory step-up recorded to cost of sales	—	—	—	N/A	—	517	(517)	N/A
Adjusted Gross Profit	$ 32,283	$ 18,332	$ 13,951	76 %	$ 79,887	$ 47,087	$ 32,800	70 %
Gross margin[(i)]	50.9 %	50.4 %	N/A	0.5 pp	49.4 %	45.6 %	N/A	3.8 pp
Adjusted Gross Margin[(ii)]	50.9 %	50.4 %	N/A	0.5 pp	49.4 %	46.1 %	N/A	3.3 pp

(i) Gross margin is defined as gross profit divided by net revenue.

(ii) Adjusted Gross Margin is defined as Adjusted Gross Profit divided by net revenue.

For the three months ended September 30, 2026, Adjusted Gross Profit was $32.3 million, representing an increase of $14.0 million from the three months ended September 30, 2025. For the nine months ended September 30, 2026, Adjusted Gross Profit was $79.9 million, representing an increase of $32.8 million from the nine months ended September 30, 2025. For both comparative periods, 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. Higher sales volumes led to higher net revenue and efficiencies as fixed overhead costs were spread over greater 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 and nine months ended September 30, 2026, as well as cash and cash equivalents, restricted cash, short-term investment and non-current interest-bearing deposit balances as of September 30, 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 and nine month comparative periods 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 press release should not be considered as a substitute for, or superior to, the measures of financial performance prepared in accordance with U.S. GAAP.

The table below sets forth certain measures of consolidated results on a constant currency basis for the three and nine months ended September 30, 2026 compared to the three and nine months ended September 30, 2025 as well as cash and cash equivalents, short-term investments and non-current interest-bearing deposits as of September 30, 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 September 30,		As Reported Change		Three months ended September 30,	Constant Currency Change	
	2026	2025	$	%	2026	$	%
Net revenue	$ 63,450	$ 36,339	$ 27,111	75 %	$ 62,735	$ 26,396	73 %
Gross profit	32,283	18,332	13,951	76 %	31,863	13,531	74 %
Gross margin	50.9 %	50.4 %	N/A	0.5 pp	50.8 %	N/A	0.4 pp
Operating expenses	23,257	18,835	4,422	23 %	23,148	4,313	23 %
Net income	17,826	28,321	(10,495)	(37)%	19,402	(8,919)	(31)%
Adjusted EBITDA	$ 17,076	$ 5,677	$ 11,399	201 %	$ 16,274	$ 10,597	187 %

	Nine months ended September 30,		As Reported Change		Nine months ended September 30,	Constant Currency Change	
	2026	2025	$	%	2026	$	%
Net revenue	$ 161,667	$ 102,056	$ 59,611	58 %	$ 155,031	$ 52,975	52 %
Gross profit	79,887	46,570	33,317	72 %	76,354	29,784	64 %
Gross margin	49.4 %	45.6%	N/A	3.8 pp	49.3 %	N/A	3.7 pp
Operating expenses	65,290	56,469	8,821	16 %	63,727	7,258	13 %
Net income (loss)	69,200	(2,438)	71,638	N/M	69,396	71,834	N/M
Adjusted EBITDA	$ 35,243	$ 9,654	$ 25,589	265 %	$ 32,306	$ 22,652	235 %

	As of September 30,	As of December 31,	As Reported Change		As of September 30,	Constant Currency Change	
	2026	2025	$	%	2026	$	%
Cash and cash equivalents	$ 411,191	$ 791,794	$ (380,603)	(48)%	$ 413,445	$ (378,349)	(48)%
Restricted cash	3,826	—	3,826	N/A	3,826	3,826	N/A
Short-term investments	329,983	40,000	289,983	725 %	329,983	289,983	725 %
Non-current interest-bearing deposits	95,629	—	95,629	N/A	95,629	95,629	N/A
Total cash and cash equivalents, restricted cash, short-term investments and non-current interest-bearing deposits	$ 840,629	$ 831,794	$ 8,835	1 %	$ 842,883	$ 11,089	1 %

Net revenue

	As Reported				As Adjusted for Constant Currency		
	Three months ended September 30,		As Reported Change		Three months ended September 30,	Constant Currency Change	
	2026	2025	$	%	2026	$	%
Cannabis flower	$ 47,981	$ 26,362	$ 21,619	82 %	$ 47,028	$ 20,666	78 %
Cannabis extracts	15,459	9,964	5,495	55 %	15,697	5,733	58 %
Other	10	13	(3)	(23)%	10	(3)	(23)%
Net revenue	$ 63,450	$ 36,339	$ 27,111	75 %	$ 62,735	$ 26,396	73 %

	As Reported				As Adjusted for Constant Currency		
	Nine months ended September 30,		As Reported Change		Nine months ended September 30,	Constant Currency Change	
	2026	2025	$	%	2026	$	%
Cannabis flower	$ 120,929	$ 74,731	$ 46,198	62 %	$ 114,619	$ 39,888	53 %
Cannabis extracts	40,690	26,932	13,758	51 %	40,365	13,433	50 %
Other	48	393	(345)	(88)%	47	(346)	(88)%
Net revenue	$ 161,667	$ 102,056	$ 59,611	58 %	$ 155,031	$ 52,975	52 %

	As Reported				As Adjusted for Constant Currency		
	Three months ended September 30,		As Reported Change		Three months ended September 30,	Constant Currency Change	
	2026	2025	$	%	2026	$	%
Canada	$ 35,133	$ 23,132	$ 12,001	52 %	$ 35,906	$ 12,774	55 %
Israel	15,088	11,353	3,735	33 %	13,566	2,213	19 %
Other countries	13,229	1,854	11,375	614 %	13,263	11,409	615 %
Net revenue	$ 63,450	$ 36,339	$ 27,111	75 %	$ 62,735	$ 26,396	73 %

	As Reported				As Adjusted for Constant Currency		
	Nine months ended September 30,		As Reported Change		Nine months ended September 30,	Constant Currency Change	
	2026	2025	$	%	2026	$	%
Canada	$ 89,194	$ 62,412	$ 26,782	43 %	$ 88,617	$ 26,205	42 %
Israel	44,257	29,958	14,299	48 %	38,218	8,260	28 %
Other countries	28,216	9,686	18,530	191 %	28,196	18,510	191 %
Net revenue	$ 161,667	$ 102,056	$ 59,611	58 %	$ 155,031	$ 52,975	52 %

For the three months ended September 30, 2026, net revenue on a constant currency basis was $62.7 million, representing a 73% increase from the three months ended September 30, 2025. For the nine months ended September 30, 2026, net revenue on a constant currency basis was $155.0 million, representing a 52% increase from the nine months ended September 30, 2025. On a constant currency basis, net revenue increased for the three and nine months ended September 30, 2026, primarily due to higher cannabis flower sales in Israel and other countries, specifically Germany, which carry no excise taxes, and higher cannabis flower and extract sales in the Canadian market.

Gross profit

For the three months ended September 30, 2026, gross profit on a constant currency basis was $31.9 million, representing a 74% increase from the three months ended September 30, 2025. For the nine months ended September 30, 2026, gross profit on a constant currency basis was $76.4 million, representing a 64% increase from the nine months ended September 30, 2025. On a constant currency basis, gross profit increased for the three and nine months ended September 30, 2026, primarily due to higher average sales prices, largely driven by a mix shift to Israel and other countries, specifically Germany, which carry no excise taxes, and higher sales volumes. Higher sales volumes led to higher net revenue and efficiencies as fixed overhead costs were spread over greater volumes. For the nine months ended September 30, 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 September 30, 2025 or the three and nine months ended September 30, 2026.

Operating expenses

For the three months ended September 30, 2026, operating expenses on a constant currency basis were $23.1 million, representing a 23% increase from the three months ended September 30, 2025. For the nine months ended September 30, 2026, operating expenses on a constant currency basis were $63.7 million, representing a 13% increase from the nine months ended September 30, 2025. On a constant currency basis, operating expenses increased for the three month comparative period, primarily due to higher salaries and benefits, trade marketing expenses, restatement litigation costs, professional fees, and anti-dumping costs. On a constant currency basis, operating expenses increased for the nine month comparative period, primarily due to higher salaries and benefits, trade marketing expenses, transaction costs related to the CanAdelaar acquisition, and professional fees, partially offset by the recovery of excise tax stamp penalties as well as lower anti-dumping costs. The three and nine months ended September 30, 2025 included certain cost recoveries on the Company’s previously incurred restatement litigation costs that did not recur in the current year.

Net income (loss)

For the three months ended September 30, 2026, net income on a constant currency basis was $19.4 million, representing a decrease in net income of $8.9 million from the three months ended September 30, 2025. For the nine months ended September 30, 2026, net income on a constant currency basis was $69.4 million, representing an increase in net income of $71.8 million from the nine months ended September 30, 2025. On a constant currency basis for the three month comparative period, the lower net income was primarily due to lower other income, higher operating expenses, and income tax provision compared to a benefit in the prior year, partially offset by higher gross profit. On a constant currency basis for the nine month comparative period, the improvement in net income was primarily due to higher gross profit and other income, partially offset by higher operating expenses and income tax provision compared to a benefit in the prior year period.

Adjusted EBITDA

For the three months ended September 30, 2026, Adjusted EBITDA on a constant currency basis was $16.3 million, representing a $10.6 million improvement from the three months ended September 30, 2025. For the nine months ended September 30, 2026, Adjusted EBITDA on a constant currency basis was $32.3 million, representing a $22.7 million improvement from the nine months ended September 30, 2025. For the three month comparative period, on a constant currency basis, the improvement was primarily due to higher gross profit, partially offset by higher operating expenses due to higher sales and marketing and general and administrative costs. For the nine month comparative period, on a constant currency basis, 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.

Cash and cash equivalents, restricted cash, short-term investments and non-current interest-bearing deposits

Cash and cash equivalents, restricted cash, short-term investments and non-current interest-bearing deposits on a constant currency basis increased by $11.1 million to $842.9 million as of September 30, 2026, from $831.8 million as of December 31, 2025. The increase in cash and cash equivalents, short-term investments and non-current interest-bearing deposits on a constant currency basis is primarily due to positive cash from operating activities, partially offset by repurchases of common stock, purchases of property, plant and equipment, and withholding taxes paid on share-based awards.

Foreign currency exchange rates

All currency amounts in this press release 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 September 30, 2026, September 30, 2025, and December 31, 2025. Transactions affecting the shareholders' equity 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		
	September 30, 2026	**September 30, 2025**	**December 31, 2025**
Spot rate	1.4232	1.3921	1.3698
Year-to-date average rate	1.3854	1.3985	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		
	September 30, 2026	**September 30, 2025**	**December 31, 2025**
Spot rate	3.0739	3.3122	3.1863
Year-to-date average rate	3.0172	3.5126	N/A

For further information, please contact:

Harrison Aaron
Investor Relations
Tel: (416) 504-0004
investor.relations@thecronosgroup.com