

CRONOS AUSTRALIA SECURES VICTORIAN LICENCES AND COMMISSIONS MELBOURNE DISTRIBUTION CENTRE

Melbourne, Australia, 12 October 2022 – Cronos Australia Limited (ASX:CAU) (**Company**) is pleased to announce that it has secured Victorian Government licences to enable the operation of its newly-commissioned Melbourne Distribution Centre (“MDC”) at an undisclosed Melbourne location. The two licences permit the supply of Schedule 2 (all products), Schedule 3 (all products), Schedule 4 (all products) and Schedule 8 (cannabis, THC products) products to pharmacies from the MDC.

The MDC facility supports the Company’s market leading CanView platform and can facilitate a significant uplift of the Company’s medicinal cannabis sales volume.

Fit out of the highly secure, state-of-the-art MDC facility was completed last week and was delivered on time and below budget. This new distribution facility augments the existing capacity and distribution capability of the Company’s secure distribution facility on the Gold Coast. To cater for increasing volumes, the MDC is approximately twice as large as the Gold Coast facility and includes productivity improvements from lessons learned in the operation of the existing warehouse.

The MDC puts medicinal cannabis products closer to pharmacies and patients and will cover distribution in Victoria, parts of New South Wales, South Australia, Western Australia, Tasmania. The existing Gold Coast facility will cover the remainder of New South Wales, Queensland, Northern Territory and the Australian Capital Territory. This will result in quicker delivery times to patients, with some pharmacies in Melbourne receiving orders on the same day. The MDC operation also underpins the Company’s business continuity contingency planning with products being held in two locations between the Gold Coast and Melbourne.

The facility will now begin to receive orders, with the operations team fully trained and ready to dispatch product. It is anticipated that there will be an official opening of the facility in the coming months.

Cronos Australia CEO, Rodney Cocks, said:

“The granting of two Victorian Government licences to enable the operation of our newly-commissioned Melbourne Distribution Centre is another important milestone for our Company. The project drew on expertise from across Cronos Australia and we are proud of the team who delivered the MDC facility.”

The highly secure, state-of-the-art MDC facility can support a significant uplift in medicinal cannabis sales volume through our market leading CanView platform. It also puts product closer to pharmacies and patients while underpinning business continuity contingency planning. We have confidence this investment in the Company’s future will deliver value for shareholders.”

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About Cronos Australia Limited (ASX : CAU)

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

- Cronos Australia's wholly-owned subsidiary, CDA Health Pty Ltd, operates the following businesses:
 - CanView - the Group operates a successful pharmacy, doctor and patient online portal, CanView, which distributes over 160 different product SKUs within Australia from more than 25 of the most well-known international and domestic producers
 - CDA Clinics - the Group operates a successful network of clinics on the Gold Coast, Brisbane and Sunshine Coast, in addition to nationwide telehealth services
- Cronos Australia owns 75.5% of Cannadoc Health Pty Ltd, a medicinal cannabis clinic business that undertakes face-to-face and nationwide telehealth consultations with patients seeking access to medicinal cannabis.
- See:
 - www.canview.com.au
 - www.cdaclinics.com.au
 - www.burleighheadscannabis.com
 - www.cannadoc.com.au

Authorised by

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Forward-looking statements

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