

CRONOS

G R O U P

STRATEGIC PARTNERSHIP WITH ALTRIA TO
ACCELERATE GROWTH AND INNOVATION

December 2018

Disclaimers & Cautionary Statements

CRONOS GROUP INC.

This communication contains “forward-looking information” and “forward-looking statements” within the meaning of applicable securities laws (collectively, “forward-looking statements”). All statements contained herein that are not clearly historical in nature may constitute forward-looking statements. In some cases, forward-looking statements can be identified by words or phrases such as “may”, “will”, “expect”, “likely”, “should”, “would”, “plan”, “anticipate”, “intend”, “potential”, “proposed”, “estimate”, “believe” or the negative of these terms, or other similar words, expressions and grammatical variations thereof, or statements that certain events or conditions “may” or “will” happen, or by discussions 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 are provided for the purposes of assisting the reader in understanding our financial performance, financial position and cash flows as at 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 that such information may not be appropriate for any other purpose. Some of the forward-looking statements contained in this communication, include, but are not limited to, statements with respect to: the proposed investment by Altria Group, Inc (“Altria Group”) in Cronos Group Inc (“Cronos Group”) (the “proposed transaction”), our business and operations, our strategy for future growth, expanding our global footprint, including the timing thereof, our intention to build an international iconic brand portfolio and develop disruptive intellectual property and our ability to build an industry leading company that transforms the perception of cannabis and responsibly elevates the consumer experience. No forward-looking statement can be guaranteed and Cronos Group cannot guarantee the future statements contained herein. Forward-looking statements are based upon certain material assumptions that were applied in drawing a conclusion or making a forecast or projection, including management’s perceptions of historical trends, current conditions and expected future developments, as well as other considerations that are believed to be appropriate in the circumstances. While we consider these assumptions to be reasonable based on information then 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 communication. Such factors include, without limitation, the

ability to complete the proposed transaction between Cronos Group and Altria Group on anticipated terms and timetable; the ability to obtain approval by the shareholders of Cronos Group related to the proposed transaction and the ability to satisfy various other conditions to the closing of the transaction contemplated by the subscription agreement; the ability to obtain governmental approvals of the proposed transaction on the proposed terms and schedule; any conditions imposed on the parties in connection with consummation of the proposed transaction; the risk that the cost savings and any other synergies from the proposed transaction may not be fully realized or may take longer to realize than expected; disruption from the proposed transaction making it more difficult to maintain relationships with customers, employees or suppliers; future levels of revenues; consumer demand for cannabis products; Cronos Group’s ability to manage disruptions in credit markets or changes to its credit rating; future levels of capital, environmental or maintenance expenditures, general and administrative and other expenses; the success or timing of completion of ongoing or anticipated capital or maintenance projects; the business strategies, growth opportunities and expected investment; the adequacy of our capital resources and liquidity, including but not limited to, availability of sufficient cash flow to execute our business plan (either within the expected timeframe or at all); the potential effects of judicial or other proceedings on our business, financial condition, results of operations and cash flows; continued or further 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; the anticipated effects of actions of third parties such as competitors, activist investors or federal (including U.S. federal), state, provincial, territorial or local regulatory authorities, self-regulatory organizations or plaintiffs in litigation; and the factors discussed in Cronos Group’s current MD&A and Annual Information Form, both of which have been filed on SEDAR and EDGAR and can be accessed at www.sedar.com and www.sec.gov, respectively. 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 contained herein are made as of the date of this communication and are based on the beliefs, estimates, expectations and opinions of management on the date such forward-looking statements are made. Cronos Group undertakes 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, except as required by applicable law or regulation.

New Partnership Advances & Enhances Leading Global Cannabis Platform



Accelerates Cronos Group's execution and achievement of strategic objectives

Compelling Transaction Rationale

ACCELERATES PACE OF GROWTH AND EXPANSION	<ul style="list-style-type: none">▪ Significant global growth opportunities as new markets open▪ Positioned to boost cannabinoid innovation, recreational and medicinal brand development, expand global footprint and grow production capacity
BOLSTERS FOCUS ON INNOVATION	<ul style="list-style-type: none">▪ Altria shares our commitment to innovation, medical cannabis research and state of the art product development and will provide complementary capabilities
LEVERAGES ALTRIA'S CAPABILITIES AND EXPERTISE	<ul style="list-style-type: none">▪ Altria's existing device technology investments and expertise to serve as building blocks for cannabis vape products▪ Significant experience with large-scale manufacturing automation, pre-roll technology and supply chain management
REGULATORY AND GOVERNMENT RELATIONS EXPERTISE	<ul style="list-style-type: none">▪ Altria has a strong record of managing complex regulatory and government affairs environments▪ Cronos Group to leverage experience as cannabis markets develop and open around the world
PREMIUM VALUATION WITH GREATER UPSIDE OPPORTUNITIES	<ul style="list-style-type: none">▪ Investment at a 42% premium to the 10-day VWAP ending Nov. 30, 2018¹; 33% premium to closing share price on Nov. 30, 2018¹▪ Cash investment, combined with strategic expertise and complementary capabilities, position Cronos Group for significant growth and value creation

1. The last unaffected trading day prior to when Cronos Group publicly disclosed preliminary discussions with Altria. VWAP based on Cronos Group's trading of common shares on the TSX.

Transaction Overview

INVESTMENT

- Strategic investment in Cronos Group at C\$16.25 per share to acquire 45% ownership via private placement
 - C\$16.25 per share offer price represents 42% premium to trailing 10-day VWAP as of Nov. 30, 2018¹
- Warrants issued to Altria to acquire an incremental 10% interest for a total targeted ownership of 55%
- Warrants exercisable at C\$19.00 per warrant over term of 4 years
 - C\$19.00 warrant strike price represents 65% premium to trailing 10-day VWAP as of Nov. 30, 2018¹

OTHER

- Altria commits to Cronos Group as its exclusive partner in the cannabis space, subject to certain limited expectations
- Altria to provide support services through commercial agreements

GOVERNANCE

- Cronos to expand Board from 5 to 7 directors
- Altria will have the right to nominate 4 out of 7 directors to Cronos Group's Board, including one independent director
- Current Cronos Group management will continue to lead the company

APPROVALS & TIMING

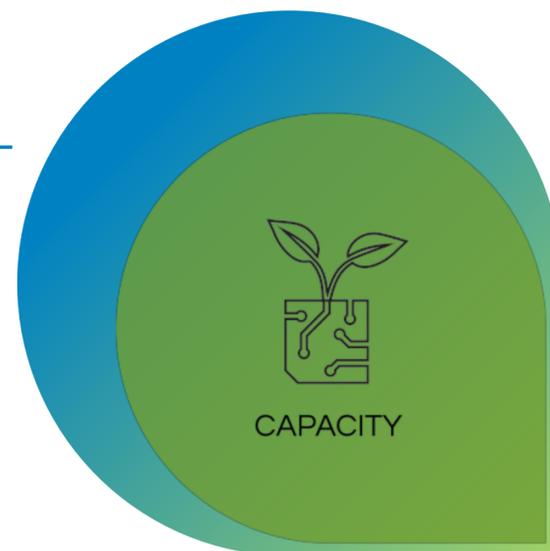
- Closing expected in the first half of 2019
- Subject to Cronos Group shareholder approval, certain customary closing conditions including the receipt of approval from the TSX, and receipt of regulatory approval pursuant to the *Investment Canada Act*

1. The last unaffected trading day prior to when Cronos Group publicly disclosed preliminary discussions with Altria. VWAP based on Cronos Group's trading of common shares on the TSX.

Altria's Complementary Expertise & Capabilities Meaningfully Advance Cronos Group's Strategy



- GLOBAL CONTRACT FARMER NETWORK
- PRODUCTION EXPERTISE



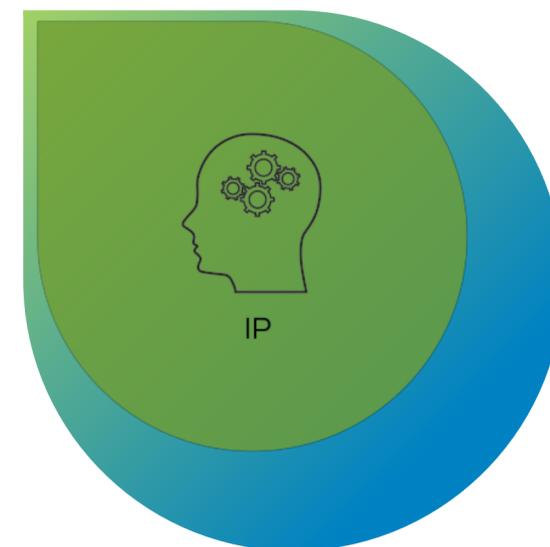
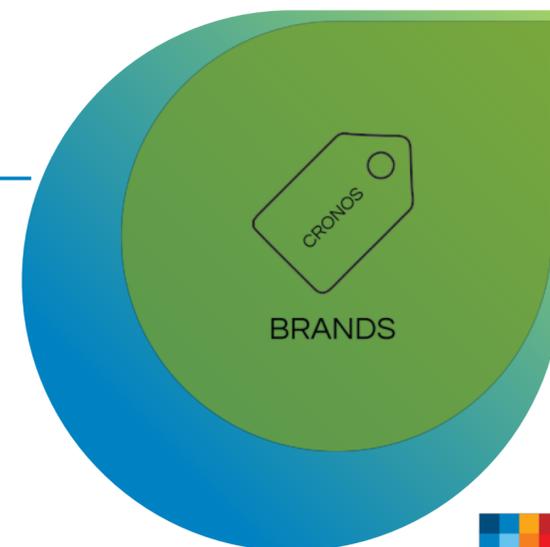
CRONOS
G R O U P



- SCALE
- MANUFACTURING AUTOMATION
- PRE-ROLL TECHNOLOGY
- SUPPLY CHAIN MANAGEMENT



- DEEP CONSUMER INSIGHTS
- EXPERIENCE WITH ADULT CONSUMER BRANDS RANGING FROM TOBACCO TO BEVERAGE



- ADVANCED DEVICE TECHNOLOGY



- COMPLEMENTARY REGULATORY EXPERTISE

Partnership Alignment with Cronos Group's Objectives

Accelerates Cronos Group's pace of growth and expansion

Bolsters Cronos Group's ability to be an innovative leader in the cannabis industry

Leverages Altria's product design, manufacturing, marketing and distribution capabilities and expertise

Provides expertise in successfully navigating complex regulatory landscapes

Raises capital at a premium valuation and delivers even greater upside opportunities for Cronos Group shareholders, employees and partners

Appendix

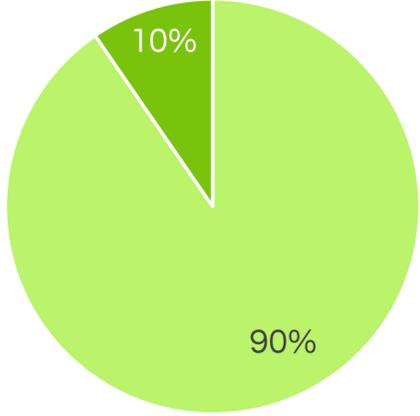
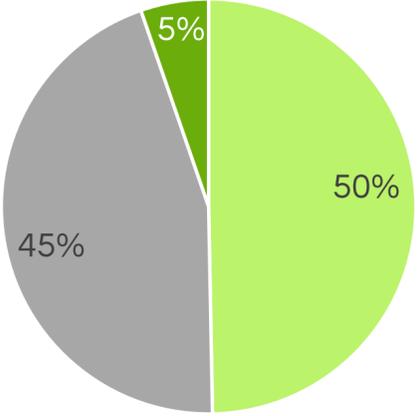
Additional **Materials**

Appendix – Investment Details & Pro Forma Capitalization

Investment Details

Securities Issued	Shares	Expiry Date	Price	Premium ¹	Cash Proceeds
Basic Shares	146.2 mm	n.a.	\$16.25	42%	~\$2,400 mm
Warrants ²	72.2 mm	4 Years After Closing	\$19.00	65%	~\$1,350 mm ³

Pro Forma Capitalization & Ownership

	Cronos Group Current ⁴	Altria Investment	Cronos Group Pro Forma
Basic Shares Outstanding	178.7 mm	+146.2 mm	324.9 mm
Dilutive Securities ²	38.3 mm	+72.2 mm	110.5 mm
Cash	\$41 mm	+~\$2,400 mm	~\$2,450 mm ⁵
Ownership (Based on Basic Shares Outstanding)	 <p>■ Retail / Institutional Shareholders ■ Insiders</p>		 <p>■ Retail / Institutional Shareholders ■ Altria ■ Insiders</p>

1. Premium to Cronos Group's trailing 10-day VWAP on the TSX as of November 30, 2018 close.
2. Specific number of warrants to be issued will be subject to customary adjustments for stock splits, dilution, repurchases or similar events to target an incremental 10% ownership interest.
3. Cash proceeds not received until exercise of warrants.

4. Based on latest financial statements as of Q3 2018.
5. Does not factor transaction costs.