

Cresco Labs Announces Receipt of US\$50 Million in Additional Non-Dilutive Funding from GreenAcreage for Sale-and-Leaseback of Lincoln IL Cultivation Facility

Agreement further solidifies the Company's balance sheet – enables the continued expansion of Cresco's national footprint and its leading position in Illinois ahead of adult-use market launch

CHICAGO – December 12, 2019 – Cresco Labs (CSE:CL) (OTCQX:CRLBF) (“Cresco” or the “Company”), one of the largest vertically integrated multistate cannabis operators in the United States, today announced the closing of an agreement (the “Agreement”) to sell its Lincoln, Illinois cultivation facility to GreenAcreage Real Estate Corp. (“GreenAcreage”), for USD\$50 million. Concurrent with the closing of the sale, Cresco has agreed to enter into a long-term, triple-net lease agreement with GreenAcreage and will continue to operate the property as a licensed medical & recreational cannabis cultivation and processing facility. Cresco’s Lincoln property is expected to be 220,000 square feet when completed, making it the largest such facility in Illinoisⁱ. With more production capacity than any other cannabis company in the state, Cresco is positioned to grow its already leading 25% market shareⁱⁱ.

“This Agreement is representative of the comprehensive approach to capital planning that we anticipate will ensure our future success, while enabling us to grow our footprint both rapidly and responsibly,” said Cresco Labs CEO and Co-founder Charlie Bachtell. “We have several opportunities right in front of us, including in our home market of Illinois, which will be moving forward with adult-use legalization on January 1st and is projected to reach \$2 billion to \$4 billion in annual sales at maturityⁱⁱⁱ. Illinois represents one of the largest opportunities in U.S. cannabis and we feel Cresco is uniquely situated to maintain and expand its leading market position in the stateⁱⁱ, with a cultivation footprint and growth plan unmatched by any other player in the market, a portfolio of well-known and accepted branded products and a strategically located retail footprint.”

Enhancing Capital Position

The Company has continued to strengthen its balance sheet and enhance its financial flexibility since the end of Q3-2019. Cresco’s capital is primarily earmarked for projects expected to drive strong, sustainable returns on capital for shareholders.

- Cresco’s balance sheet ending Q3-2019 included a cash and cash equivalents balance of \$73.7 million, a working capital position of \$144.6 million and zero debt.
- On November 26, 2019, Cresco announced a sale-and-leaseback agreement for its Marshall, Michigan and Yellow Springs, Ohio facilities for \$38 million.
- On December 3, 2019, the Company established an at-the-market program (“ATM”) with a two-year term. While the Company has no intention to utilize the ATM immediately, it rounds out Cresco’s comprehensive approach to capital strategy by providing the Company with the security

of readily accessible future capital , if needed, at what is expected to be a more attractive cost of capital and lower dilution than other alternatives in the current environment.

“Access to capital is critical for cannabis industry operators to build scale and grow,” said Katie Barthmaier, Chief Executive Officer of GreenAcreage. “We are excited to acquire this facility from Cresco, an industry and market leader, to fuel their continued success in Illinois.”

“We are confident that today’s announcement, together with the measured steps we continue to take to strengthen our capital position and continue investing in strategic U.S. cannabis markets, will generate significant returns for our shareholders, our employees and the communities in which we operate,” concluded Cresco CEO Charlie Bachtell.

About Cresco Labs

Cresco Labs is one of the largest vertically-integrated multi-state cannabis operators in the United States. Cresco is built to become the most important company in the cannabis industry by combining the most strategic geographic footprint with one of the leading distribution platforms in North America. Employing a consumer-packaged goods (“CPG”) approach to cannabis, Cresco’s house of brands is designed to meet the needs of all consumer segments and includes some of the most recognized and trusted national brands including Cresco, Remedi and Mindy’s, a line of edibles created by James Beard Award-winning chef Mindy Segal. Sunnyside*, Cresco’s national dispensary brand, is a wellness-focused retailer designed to build trust, education and convenience for both existing and new cannabis consumers. Recognizing that the cannabis industry is poised to become one of the leading job creators in the country, Cresco has launched the industry’s first national comprehensive Social Equity and Educational Development (SEED) initiative designed to ensure that all members of society have the skills, knowledge and opportunity to work in and own businesses in the cannabis industry. Learn more about Cresco Labs at www.crescolabs.com.

Forward Looking Statements

This press release contains “forward-looking information” within the meaning of applicable Canadian securities legislation and may also contain statements that may constitute “forward-looking statements” within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Such forward-looking information and forward-looking statements are not representative of historical facts or information or current condition, but instead represent only the Company’s beliefs regarding future events, plans or objectives, many of which, by their nature, are inherently uncertain and outside of the Company’s control. Generally, such forward-looking information or forward-looking statements can be identified by the use of forward-looking terminology such as, ‘may,’ ‘will,’ ‘should,’ ‘could,’ ‘would,’ ‘expects,’ ‘plans,’ ‘anticipates,’ ‘believes,’ ‘estimates,’ ‘projects,’ ‘predicts,’ ‘potential’ or ‘continue’ or the negative of those forms or other comparable terms. The Company’s forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company’s actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including but not limited to those risks discussed under “Risk Factors” in the company’s CSE Listing Statement filed with

SEDAR; and other factors, many of which are beyond the control of the Company. Readers are cautioned that the foregoing list of factors is not exhaustive. Because of these uncertainties, you should not place undue reliance on the Company's forward-looking statements. No assurances are given as to the future trading price or trading volumes of Cresco's shares, nor as to the Company's financial performance in future financial periods. The Company does not intend to update any of these factors or to publicly announce the result of any revisions to any of the Company's forward-looking statements contained herein, whether as a result of new information, any future event or otherwise. Except as otherwise indicated, this press release speaks as of the date hereof. The distribution of this press release does not imply that there has been no change in the affairs of the Company after the date hereof or create any duty or commitment to update or supplement any information provided in this press release or otherwise.

Contacts:

Media:

Jason Erkes, Cresco Labs
Chief Communications Officer
press@crescolabs.com

Investors:

investors@crescolabs.com

For general Cresco Labs inquiries:

312-929-0993
info@crescolabs.com

ⁱ State of Illinois, Department of Agriculture cannabis cultivation licenses.

ⁱⁱ According to monthly State of Illinois wholesale sales figures, Cresco has the leading market share in the state with approximately 25% market share.

ⁱⁱⁱ Illinois is projected to be a \$2-4 billion dollar market at maturity according to Marijuana Business Daily making it one of largest cannabis markets in US.