

## FORM 7

### **MONTHLY PROGRESS REPORT**

Name of Listed Issuer: Cresco Labs Inc. (the “Issuer”, the “Company”, “Cresco”).

Trading Symbol: CL.CN

Number of Outstanding Listed Securities:

237,294,331 Subordinate Voting Shares

27,123,668 Proportionate Voting Shares

Date: May 7<sup>th</sup>, 2021

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer’s obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer’s ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are “material information” as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

#### **General Instructions**

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term “Issuer” includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

## Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

**Issuer Response:** Updates about the Company's business are available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on Cresco's investors website at [investors.crescolabs.com](http://investors.crescolabs.com).

2. Provide a general overview and discussion of the activities of management.

**Issuer Response:** Management has been actively involved in managing operations and revenue growth, acquiring talent, and exploring and evaluating expansion opportunities.

On April 29<sup>th</sup>, 2021, the Company announced its planned participation in the following investor conferences: Alliance Global Partners Spring Consumer Cannabis Conference on May 4<sup>th</sup>, 2021 and the Canaccord Genuity Cannabis Virtual Conference on May 11<sup>th</sup>, 2021.

*Please refer to the Issuer's news release dated April 29<sup>th</sup>, 2021.*

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

**Issuer Response:** On April 12<sup>th</sup>, 2021, the Company announced the expansion of its branded edibles portfolio with the launch of Wonder Wellness Gummies. The new low-dose edibles are enhanced with botanicals to complement the overall cannabis experience, and their simple packaging communicates desired effects so wellness-minded category newcomers can consume with confidence to add cannabis as a part of their daily lifestyles.

*Please refer to the Issuer's news release dated April 12<sup>th</sup>, 2021.*

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

**Issuer Response:** None noted.

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

**Issuer Response:** None noted.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

**Issuer Response:** None noted.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

**Issuer Response:**

On April 14<sup>th</sup>, 2021 the Company announced that it has closed the previously announced acquisition of Bluma Wellness Inc. ("Bluma Wellness"), a vertically integrated operator in Florida for approximately 15.9 million Cresco shares. The acquisition expands the Company's operations into Florida, a state with 525,000 medical cannabis patients and a state population of greater than 21 million people. Bluma Wellness' operations include 8 dispensaries located across the state offering same-day delivery and curbside pickup, 7 additional dispensaries currently in permitting and/or under construction and 54 thousand square feet of cultivation with planned expansion.

*Please refer to the Issuer's news release dated April 14<sup>th</sup>, 2021.*

8. Describe the acquisition of new customers or loss of customers.

**Issuer Response:** The Issuer continues to seek customer growth through strategic acquisitions, as well as organically through product expansion, increased product availability, and retail footprint expansion.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

**Issuer Response:** None noted.

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

**Issuer Response:** None noted.

11. Report on any labour disputes and resolutions of those disputes if applicable.

**Issuer Response:** Not applicable.

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

**Issuer Response:** None noted.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

**Issuer Response:** None noted.

14. Provide details of any securities issued and options or warrants granted.

**Issuer Response:** The Company continues to issue stock options and other equity compensation to key employees and members of the board under its share-based compensation plan. Additionally, see Issuer Response to Question #7 above, detailing the issuance of 15.9 million equity shares.

On April 26<sup>th</sup>, 2021, the Company announced that a final base shelf prospectus (preliminarily filed on February 26<sup>th</sup>, 2021) replacing the Company's prior shelf prospectus has been receipted with the securities commissions in each of the provinces of Canada. The Company also announced that a corresponding registration statement on Form F-10 (together with the Shelf Prospectus, the "MJDS Shelf") has been deemed effective by the U.S. Securities and Exchange Commission under the U.S./Canada Multijurisdictional Disclosure System. The MJDS Shelf provides for the offer and sale of the Company's subordinate voting shares, debt securities, subscription receipts, warrants, and units in both Canada and the U.S.

The Company also announced a new equity distribution agreement ("Agreement") with Canaccord Genuity Corp. to replace the equity distribution agreement filed in December 2019 due to the expiration of the prior shelf prospectus. Pursuant to this Agreement, the Company may, from time to time, sell up to US\$100 million of its subordinate voting shares in Canada.

*Please refer to the Issuer's news release dated April 26<sup>th</sup>, 2021.*

15. Provide details of any loans to or by Related Persons.

**Issuer Response:** The Company has borrowings of \$16.5 million with related parties related to the Company's amended senior secured term loan.

16. Provide details of any changes in directors, officers or committee members.

**Issuer Response:** On April 22<sup>nd</sup>, 2021, the Company announced the appointment of Tarik Brooks to its Board of Directors. Mr. Brooks currently serves as the President of Combs Enterprises, overseeing all business operations and investments owned by Sean “Diddy” Combs. Mr. Brooks also leads all new business development activity including the launch of “Our Fair Share” a platform to help minority owned businesses access capital through the Paycheck Protection Program. Prior to his current role, Mr. Brooks was the Chief Operating Officer of Account Management and Trading at Bridgewater Associates, the world’s largest hedge fund. Mr. Brooks is a graduate of Howard University and Harvard Business School.

On April 22<sup>nd</sup>, 2021, the Company announced the retirement of Dominic Sergi, an original founder of Cresco Labs, as part of the planned board refreshment process. Mr. Sergi currently serves as CEO of Clear Height Properties and spends his free time supporting the Nicholas D. Sergi Foundation.

*Please refer to the Issuer’s news release dated April 22<sup>nd</sup>, 2021.*

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer’s market(s) or political/regulatory trends.

**Issuer Response:** On April 20<sup>th</sup>, 2021, the Company released the findings of a new survey conducted by YouGov in partnership with Sunnyside, the national retail dispensary brand of the Company, indicating 25% of Americans now consume cannabis and that cannabis consumption is up 56% since 2018. Additionally, 23% of cannabis consumers say they tried cannabis for the first time in the past year.

*Please refer to the Issuer’s news release dated April 20<sup>th</sup>, 2021.*

## Certificate of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated May 7<sup>th</sup>, 2021.

Dennis Olis  
Name of Director or Senior  
Officer

/s/ Dennis Olis  
Signature

Chief Financial Officer  
Official Capacity

<b><i>Issuer Details</i></b> Name of Issuer Cresco Labs Inc.	For Month End April 2021	Date of Report YY/MM/DD 21/05/07
Issuer Address 400 W Erie St., Suite 110		
City/Province/Postal Code Chicago, Illinois 60654	Issuer Fax No.	Issuer Telephone No. 312-929-0993
Contact Name Dennis Olis	Contact Position CFO	Contact Telephone No. 312-929-0993
Contact Email Address Dennis.Olis@crescolabs.com	Web Site Address <a href="https://www.crescolabs.com">https://www.crescolabs.com</a>	