

## FORM 7

### **MONTHLY PROGRESS REPORT**

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

Trading Symbol: CL.CN

Number of Outstanding Listed Securities:

168,031,610 Subordinate Voting Shares

46,537,746 Proportionate Voting Shares

Date: August 7<sup>th</sup>, 2020

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).

On July 1<sup>st</sup>, the Company announced that it has closed the agreement to sell and lease back its Fall River, MA property to Innovative Industrial Properties, Inc. ("IIP") Consideration for the sale was approximately \$29 million, which includes \$21 million in funding for tenant improvements. The property represents approximately 118,000 square feet of industrial space in aggregate and includes cultivation space, a processing facility, and dispensary serving both Adult Use and Medical patients in Fall River, MA.

Cresco also entered into amendments to its leases with IIP for its Michigan and its Ohio properties, making available an additional \$17.0 million in funding for additional improvements of their cannabis cultivation and processing facilities at the properties.

On July 13<sup>th</sup>, the Company announced the opening of its eighth Illinois dispensary located at 7000 First Ranger Drive in the city of South Beloit. At 7,208 square feet, this is one of the largest dispensaries in Illinois and across the Company's portfolio.

*Please refer to the Issuer's News releases dated July 1<sup>st</sup> and July 13<sup>th</sup>, 2020.*

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

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

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:** None noted.

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:** None noted.

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 and increased product availability.

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:** None noted.

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

**Issuer Response:** None noted.

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

**Issuer Response:** On July 30<sup>th</sup>, the Company announced the appointment of the current Chair of the Board of Trustees at McLean Hospital, the #1 ranked freestanding psychiatric hospital and largest affiliate of Harvard Medical School, Carol Vallone, to its board of directors. In joining the Cresco Labs board of directors, Ms. Vallone will become the second female member of the board and will serve alongside Michele Roberts, the Executive Director of the NBA Players Association, who was elected in April.

On July 30<sup>th</sup>, the Company announced that Brian McCormick, Vice Chairman of the board, has retired from the Company's board of directors as part of the planned board refreshment process. A serial entrepreneur, Mr. McCormack was a founder and one of the early investors in the company and led the initial development of the board. He was instrumental in helping create the business and in recruiting initial shareholders to the Company.

*Please refer to the Issuer's News release dated July 30<sup>th</sup>, 2020.*

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:** None noted.

## 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 August 7<sup>th</sup>, 2020.

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 July 2020	Date of Report YY/MM/D 20/08/7
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>	