

## 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:

253,130,783 Subordinate Voting Shares

25,577,478 Proportionate Voting Shares

Date: October 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).

On September 23<sup>rd</sup>, 2021, the Company announced the execution of a definitive agreement to acquire 100% of the outstanding equity interests in Bay, LLC d/b/a Cure Pennsylvania ("Cure Penn") for an aggregate consideration equal to US\$90 million. This transaction is expected to close in the fourth quarter of 2021.

*Please refer to the Issuer's news release dated September 23<sup>rd</sup>, 2021.*

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.

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:** On September 30<sup>th</sup>, 2021, the Company announced the decision to exit agreements under which Cresco Labs served as the exclusive distributor of certain third-party branded products in California as part of the Company's shift toward owned-brand distribution. The Company will continue to partner with a small group of leading brands in California. The Company has not yet determined the impact of this business decision on its consolidated financial statements as of the issuance of this report, and will finalize this assessment during the fourth quarter of 2021.

*Please refer to the Issuer's news release dated September 30<sup>th</sup>, 2021.*

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:** Please refer to the discussion above relating to discontinued products or services.

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 September 3<sup>rd</sup>, 2021, the Company announced it has closed the previously announced acquisition of Cultivate Licensing LLC and BL Real Estate LLC (collectively, "Cultivate"), a vertically integrated Massachusetts operator, for approximately 4.8 million Cresco shares, plus an earnout of up to US\$68 million. The acquisition expands the Company's operations by adding approximately 42,000 square feet of active flowering canopy, additional space available to further expand cultivation capacity, and three operational dispensaries located in Leicester, Framingham, and Worcester, Massachusetts, bringing combined retail storefronts in-state to four. Concurrent with closing, the Company's Fall River retail location has transitioned to medical sales only.

*Please refer to the Issuer's news release dated September 3<sup>rd</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.
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:** None noted.
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 October 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 September 2021	Date of Report YY/MM/DD 21/10/07
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>	