

# Cresco Labs Announces Closing of Acquisition in New York State

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Acquisition Adds One of Only 10 Vertically Integrated Cannabis Business Licenses Issued by the State of New York

CHICAGO--(BUSINESS WIRE)-- **Cresco Labs Inc.** ("Cresco Labs" or the "Company") (CSE: CL) (OTCQX: CRLBF), one of the largest vertically integrated multistate cannabis operators in the United States, today announced that it has closed its acquisition of 100% of the membership interests of Gloucester Street Capital, LLC ("Gloucester"), the parent entity of Valley Agriceuticals, LLC ("Valley Ag") via a merger between Gloucester and a subsidiary of Cresco Labs. As a result of this acquisition, Cresco Labs now holds one of the 10 vertically integrated cannabis business licenses granted in the State of New York by the New York State Department of Health. Each license gives the operator the right to operate one cultivation facility and four dispensaries in New York. The New York market is projected to grow to \$500 million by 2022<sup>1</sup>.

"New York is one of the most influential consumer markets in the world and we expect the state to act as a cornerstone in Cresco Labs' plan to continue building the most strategic and valuable geographic footprint in the U.S. cannabis industry," said Charles Bachtell, CEO and Co-founder of Cresco Labs. "Since recently receiving regulatory approval for this transaction, Valley Ag has opened two new dispensaries in Williamsburg, Brooklyn and Huntington, Long Island. As a result, Cresco Labs enters the New York market with four strategically located dispensaries. These assets position us well to immediately generate meaningful revenue from this market. As we fully implement the world-class branding, marketing and distribution expertise that has helped us to develop leading positions in some of the most attractive cannabis markets in the country, we expect to steadily increase our share of a market that is projected to grow to \$500 million by 2022."

"Cresco Labs has an incredible vision for the future of the cannabis industry, and they were the obvious choice to partner with based on their superior management team, focus on compliance and experience working across

hyper-regulated industries," said Gloucester Street Capital CEO Stephen Ashekian. "I believe their strategic decision making, commitment to social equity and priority for putting the patients first will make them a leader in the New York market."

In addition to the new dispensaries in Williamsburg, Brooklyn and Huntington, Long Island, Cresco Labs also has operating dispensaries in Bardonia and New Hartford.

Currently a medical-use only market, New York has approximately 107,000 certified patients and 2,500 registered practitioners. The State's medical cannabis program has 15 qualifying conditions including chronic pain, post-traumatic stress disorder (PTSD), and opioid replacement.

## 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](http://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 Annual Information Form filed on 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.

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<sup>1</sup> Arcview/BDS Analytics

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