

# Cresco Labs Announces Mutual Agreement to Terminate Purchase Agreement With Tryke – Frees-Up \$55 Million in Capital to Further Invest in Organic Growth Pipeline

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CHICAGO--(BUSINESS WIRE)-- **Cresco Labs** (CSE:CL) (OTCQX:CRLBF) (“Cresco” or “the Company”), one of the largest vertically integrated multistate cannabis operators in the United States, announced today that it has reached a mutual agreement to terminate the purchase agreement dated **September 16, 2019**, to acquire certain assets (the “Agreement”) from Tryke Companies, LLC (“Tryke”).

Cresco Labs CEO and Co-founder Charlie Bachtell said, “Our acquisition of Tryke has been impacted by regulatory delays, a decline in capital markets, and now COVID-19, which brought additional risk to this transaction. Given these events, we feel the resources previously targeted for this transaction are better invested in our existing markets, where we have high visibility and certainty of return on capital.”

Mr. Bachtell added, “The decisions we have made over the past year have de-risked Cresco, leaving us with one of the most experienced management teams, and one of the strongest balance sheets to deploy into our high-return, core markets. We know that times of uncertainty come with opportunity. Terminating the Agreement puts Cresco in a position to better manage any potential future implications from COVID, take advantage of the current macro environment and succeed in achieving our goal of building the most important cannabis company in the U.S.”

The terminated Agreement was for a purchase consideration of approximately US\$282.5 million, including approximately US\$55 million in cash. Cresco has agreed to pay equity valued at \$1.25 million as total consideration for the termination of the Agreement. With the termination of the Agreement, Cresco has no outstanding acquisitions or major CAPEX obligations, leaving Cresco’s balance sheet unencumbered.

## 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 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.

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Media:

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

Investors:

Aaron Miles  
Vice President, Investor Relations  
**investors@crescolabs.com**

For general Cresco Labs inquiries:

312-929-0993  
**info@crescolabs.com**

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