

Cresco Labs Announces Regulatory Approval for Acquisition of One of Ten Vertically Integrated Licenses in New York State

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Acquisition Expands Cresco Labs' Multistate Footprint into Limited License New York Market Projected to Grow to \$500 Million by 2022

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 received regulatory approval for 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 an indirect subsidiary of Cresco Labs. Valley Ag 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. Valley Ag's license was recently renewed for a two-year period. The acquisition is expected to close by the end of August.

Valley Ag's assets include four licensed dispensaries with operating locations in Bardonia and New Hartford along with new dispensaries scheduled to open in Williamsburg, Brooklyn and Huntington, Long Island within the next 14 days.

"We are very pleased to take the next step in building the most strategic and valuable geographic footprint in the cannabis industry," said Charles Bachtell, CEO and Co-founder of Cresco Labs. "As the holder of one of only 10 vertically integrated businesses licenses in New York, we believe that Cresco Labs will make a significant impact in this large and influential market that is projected to grow to \$500 million by 2022, according to Arcview/BDS Analytics. In virtually all consumer-related sectors and industries, New York is viewed as the most important market

in the world, which made it a critical component of our strategic geographic expansion plan. Having the opportunity to establish Cresco Labs in New York will significantly advance our goal to build the first national brand in the cannabis industry.

“The approval of this acquisition and the transfer of the license is a strong show of confidence by regulators that Cresco Labs can play a valuable role in helping the State of New York achieve the economic and social equity goals for its cannabis program. **Our comprehensive national social equity and education initiative (SEED)** demonstrates our strong commitment to driving positive social change and enabling all members of society to participate in the cannabis industry. We look forward to growing our New York operations, delivering a superior retail experience for customers, and providing individuals with the tools and education needed to be a part of the industry.”

“Cresco Labs has the best-in-class management team and we are excited to be a part of their effort to build the most important company in the cannabis industry,” said Steve Ashekian, CEO of Valley Agriceuticals. “Since signing the definitive agreement, we have been impressed with the guidance that the Cresco Labs’ team provided us on the plans for our 75,000 sq. foot cultivation and processing facility in Wallkill, New York and the opening of our four dispensaries. The cultivation facility is expected to be completed by the end of the first quarter of 2020 and will produce the full suite of Cresco Labs’ branded products. We are looking forward to leveraging Cresco Labs’ proven approach to winning market share as the patient base in New York continues to grow in the coming years.”

Currently a medical-use only market, New York is the third largest state in the US with nearly 20 million residents and approximately 105,000 certified patients. 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, based in Chicago, is a leading U.S. cannabis company with experienced management, access to capital and a demonstrated growth strategy. As a differentiated grower, processor and retailer of premium cannabis operating across the United States, the company focuses on entering highly regulated markets with outsized demand potential and strong regulatory structures. Its impressive speed-to-market gives Cresco a distinct competitive advantage as it replicates its model to expand its national footprint. Cresco’s proven ability to execute is complemented by a cutting-edge brand strategy spearheaded by several of the brightest minds in consumer marketing in the nation. Cresco’s products are tailored to all major consumer segments: everyday cannabis, medicinally focused, connoisseur grade, and chef inspired edibles by James Beard Award-winning pastry chef Mindy Segal. Learn more about Cresco Labs at 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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