

Cresco Labs Enters Into Sale-and-Leaseback Agreement With Innovative Industrial Properties for Illinois Facilities

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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 signed a binding agreement to sell its Joliet and Kankakee, Illinois properties to Innovative Industrial Properties, Inc. ("IIP") for approximately \$46.3 million, which amount includes funding for additional tenant improvements at the Kankakee property. Concurrent with the closing of the sale, Cresco Labs will enter into a long-term, triple-net lease agreement with IIP and will continue to operate each property as a licensed cannabis cultivation and processing facility. The two properties represent approximately 100,000 square feet of industrial space in aggregate. The agreement is expected to close within the next 30 days.

"This sale-and-leaseback agreement with IIP represents a non-dilutive capital solution for Cresco Labs that will support the expansion of our Illinois operations in preparation for the legalization of adult-use cannabis on January 1, 2020," said Cresco Labs CEO and Co-founder Charlie Bachtell. "A portion of the proceeds from the sale of the two properties will be utilized to create the scale in our cultivation capacity and retail dispensary network necessary to meet the significant increase in demand projected from the legalization of adult-use cannabis and the expansion of the medical-use program in Illinois. With the Illinois cannabis market projected to reach \$2 billion to \$4 billion in annual sales at maturity, the expansion of our operations will position Cresco Labs to build upon our leading market share and significantly increase the revenue we generate from Illinois in the coming years."

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.

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:

investors@crescolabs.com

For general Cresco Labs inquiries:

312-929-0993

info@crescolabs.com

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