

# Cresco Labs Inc. Establishes At-the-Market Offering

12/3/2019

CHICAGO--(BUSINESS WIRE)-- Cresco Labs Inc. ("**Cresco Labs**" or the "**Company**") (CSE:CL) (OTCQX:CRLBF) (FSE:6CQ), one of the largest vertically integrated multistate cannabis operators in the United States, today announced that it has entered into an equity distribution agreement (the "**Equity Distribution Agreement**") with Canaccord Genuity Corp. pursuant to which the Company may, from time to time, sell up to C\$55 million of subordinate voting shares ("**Subordinate Voting Shares**") in the capital of the Company (the "**ATM Program**"). The Company intends to use the net proceeds of the ATM Program, if any, principally for general corporate purposes (including funding ongoing operations and/or working capital requirements), to repay indebtedness outstanding from time to time, discretionary capital programs and potential future acquisitions.

Since the Subordinate Voting Shares will be distributed at trading prices prevailing at the time of the sale, prices may vary between purchasers and during the period of distribution. The volume and timing of sales, if any, will be determined at the sole discretion of the Company's management and in accordance with the terms of the Equity Distribution Agreement. To date, no Subordinate Voting Shares have been distributed by the Company pursuant to the Equity Distribution Agreement.

Sales of Subordinate Voting Shares, if any, under the ATM Program are anticipated to be made in transactions that are deemed to be "at-the-market distributions" as defined in National Instrument 44-102 Shelf Distributions, as sales made directly on the Canadian Securities Exchange or any other recognized Canadian "marketplace" within the meaning of National Instrument 21-101 Marketplace Operation. The ATM Program is being made pursuant to a prospectus supplement dated December 3, 2019 (the "**Prospectus Supplement**") to the Company's short form base shelf prospectus dated July 25, 2019 (the "**Base Shelf Prospectus**"), filed with the securities regulatory authorities in each of the provinces and territories of Canada.

The Prospectus Supplement (together with the related Base Shelf Prospectus) is available at the Company's profile

on the SEDAR website maintained by the Canadian Securities Administrators at [www.sedar.com](http://www.sedar.com).

This news release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, Subordinate Voting Shares in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such jurisdiction. The Subordinate Voting Shares have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from the registration requirements.

## 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 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", "would", "could", "should", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" or the negative of those forms or other comparable terms. The forward-looking information and forward-looking statements contained herein may include, but is not limited to, information concerning the anticipated sale

and distribution of Subordinate Voting Shares under the ATM Program, the volume and timing of the sale and distribution of Subordinate Voting Shares under the ATM Program and the Company's intended use of the net proceeds of any offering of Subordinate Voting Shares under the ATM Program. 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 most recent Annual Information Form and other filings on SEDAR; and other factors, many of which are beyond the control of the Company.

Among others, the key factors that could cause actual results to differ materially from those projected in the forward-looking information and statements are the following: regulatory uncertainty; the unpredictability caused by existing capital structure; dilution; volatility of market price; substantial sales of Subordinate Voting Shares; the restrictions on the resale of the Company's securities; U.S. regulatory landscape and enforcement related to cannabis, including political risks; risks relating to anti-money laundering laws and regulation; other governmental and environmental regulation; public opinion and perception of the cannabis industry; risks related to the ability to consummate the proposed acquisitions and the ability to obtain requisite regulatory approvals and third party consents and the satisfaction of other conditions to the consummation of the Arrangement (as defined in the Base Shelf Prospectus) and other proposed acquisitions on the proposed terms and schedule; reliance on the expertise and judgment of senior management of the Company; risks inherent in an agricultural business; risks related to co-investment with parties with different interests to the Company; risks related to proprietary intellectual property and potential infringement by third parties; risks relating to financing activities including leverage; risks relating to the management of growth; increased costs associated with the Company becoming a publicly traded company; increasing competition in the industry; risks relating to energy costs; risks associated to cannabis products manufactured for human consumption including potential product recalls; reliance on key inputs, suppliers and skilled labour (the availability and retention of which is subject to uncertainty); cybersecurity risks; ability and constraints on marketing products; fraudulent activity by employees, contractors and consultants; tax and insurance related risks; risks related to the economy generally; risk of litigation; conflicts of interest; risks relating to certain remedies being limited and the difficulty of enforcement of judgments and effecting service outside of Canada; risks related to future acquisitions or dispositions; sales by existing shareholders; the limited market for securities of the Company; limited research and data relating to cannabis; and other risks disclosed in the Company's public filings including the Base Shelf Prospectus and the Prospectus Supplement (including the documents incorporated by reference therein). Should one or more of these risks, uncertainties or other factors materialize, or should assumptions underlying the forward-looking information or statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. 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 stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.

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