

Cresco Labs Launches Hemp CBD Subsidiary -- Expands Reach of House of Brands

2/25/2019

New Subsidiary Facilitates Cross-channel Opportunity to Distribute its Products in all 50 States through Sales of Hemp-based CBD

CHICAGO--(BUSINESS WIRE)-- **Cresco Labs** (CSE:CL) (OTC:CRLBF) ("Cresco" or "the Company"), one of the largest vertically integrated multistate cannabis operators in the nation, today announced the formation of a new wellness subsidiary, Well Beings, that will provide the Company the ability to expand its house of branded products to all 50 states to potentially reach a new customer base outside of the licensed dispensary channel. Well Beings, led by Cresco's Chief Experience Officer, MINIMAL principal, and former Nike Global Creative Director Scott Wilson, will offer a full line of high-quality hemp-based CBD wellness products eligible for national distribution. The subsidiary will have its own unique product line and produce CBD versions of Cresco Labs' house of branded products including Cresco, Remedi and Mindy's Edibles.

This press release features multimedia. View the full release here:

<https://www.businesswire.com/news/home/20190225005264/en/>

Cresco Labs new subsidiary Well Beings will have its own unique product line and produce CBD versions of Cresco Labs' house of branded products including Cresco, Remedi and Mindy's Edibles. (Photo: Business Wire)

"Entering the CBD industry is an obvious next step for Cresco Labs so it can continue to build consumer trust in the quality

and consistency of our portfolio of brands across all fifty states and to reach new customers both through and outside of the licensed dispensary channel," said Cresco's CEO and co-founder Charlie Bachtell. "As the US cannabis market is projected to expand from \$10 billion to \$75 billion by 2030, hemp-derived products, including CBD, offer all consumers an opportunity to access the natural therapeutic benefits of cannabinoid-based products. Our

wellness-focused offerings, which will include Well Beings, Cresco, Remedi and Mindy's, can be distributed nationwide for retailers, grocers, nutrition stores, and online marketplaces, further raising the awareness of cannabinoid-based products and their beneficial properties."

"We believe that the role of national brands is to help consumers and patients make choices that are right for them. Cresco's mission is to normalize and professionalize the cannabis industry. By building brands that help de-stigmatize, educate and build trust, we can help new and existing consumers explore the many benefits of cannabis and cannabinoid-based products."

Following the recent passing of the 2018 Farm Bill legalizing CBD, the hemp CBD market is estimated to reach \$3 billion by 2020, according to Brightfield Group, and may possibly eclipse the cannabis market over time. Well Beings builds on Cresco's strong history of product quality and consistency to offer consumers trustworthy, high quality CBD-based wellness products that will be available in ingestibles, topicals and patches, balms, lotions and tinctures.

Combining the cannabinoid products expertise of Cresco Labs with the design and consumer expertise from Wilson's MINIMAL, a globally recognized design firm, this new subsidiary will create a launching pad for new brands and support expansion of Cresco's leading cannabis brands into the CBD space. Well Beings will serve an important new customer category that can experience hemp-based products in a normalized and de-stigmatized manner. Cresco Labs will be making a non-material investment in this new subsidiary.

"The purpose of this new business line is to demystify and build trust in CBD products, guiding consumers to understand the benefits of hemp and how to incorporate CBD-based wellness products into their daily lives," said Wilson, who is spearheading the endeavor. "The cross-channel, consumer-centric opportunity for Cresco to build brand equity is transformative in the cannabis industry."

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 in seven states, the company focuses on entering highly regulated markets with outsized demand potential and high barriers to entry. 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 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.

View source version on **businesswire.com**: <https://www.businesswire.com/news/home/20190225005264/en/>

Media:

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

Investors:

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

For general Cresco Labs inquiries:

312-929-0993

info@crescolabs.com

Source: Cresco Labs