CRESCO LABS®

NEWS RELEASE

Cresco Labs Reports Third Quarter 2026 Financial Results

2026-11-06

Delivers $173 Million in Revenue and $26 Million Operating Cash Flow

CHICAGO--(BUSINESS WIRE)-- Cresco Labs Inc. (CSE: CL) (OTCQX: CRLBF) (FSE: 6CQ) ("Cresco Labs" or the "Company"), the industry leader in branded cannabis products with a portfolio of America's most popular brands and the operator of Sunnyside dispensaries, today released its financial and operating results for the third quarter ended September 30, 2026. All financial information presented in this release is reported in accordance with U.S. GAAP and in U.S. dollars, unless otherwise indicated, and is available on the Company's investor website, **here**.

Third Quarter 2026 Highlights

- Third quarter revenue of $173 million.
- Gross profit of $79 million. Adjusted gross profit [1] of $81 million; and an Adjusted gross profit margin [1] of 46.8%.
- SG&A of $58 million or 33.4% of revenue. Adjusted SG&A of $54 million or 31.3%. The difference between SG&A and Adjusted SG&A is primarily attributable to one-time and non-recurring costs associated with M&A, uplisting preparedness and federal reform.
- Net loss of $15 million.
- Third quarter Adjusted EBITDA [1] of $35 million and Adjusted EBITDA margin [1] of 20.2%.
- Third quarter operating cash flow of $26 million and free cash flow of $21 million.
- Retained the No. 1 share position in multiple billion-dollar markets. [2]

Management Commentary

“Q3 delivered revenue of $173 million, up 5% year-over-year, and $26 million in operating cash flow, converting over 60% of Adjusted EBITDA into free cash flow,” said Charlie Bachtell, CEO of Cresco Labs. “The Cresco team executed this quarter as we closed an acquisition, improved cultivation, and ramped up a new state, all while keeping the base business running at a high level.”

“Last quarter we said we were doing everything within our control so that when federal regulations allow, we will be ready for our next chapter. Last week our shareholders approved three special resolutions with over 94% support, simplifying our corporate structure and aligning Cresco with the U.S. investor base that will increasingly own this industry as it normalizes. That said, we do not build our plan around reform timelines. The business stands on its own, and Cresco will be ready to act when the next phase arrives.”

Balance Sheet and Other Financial Information

- As of September 30, 2026, the Company had $76 million of cash, cash equivalents, and restricted cash, and $454 million of long-term notes and loans payable.
- Total shares on a fully converted basis to Subordinate Voting Shares were 508,217,728 as of September 30, 2026.

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[1] See “Non-GAAP Financial Measures” at the end of this press release for more information regarding the Company’s use of non-GAAP financial measures.

[2] According to Hoodie Analytics.

Earnings Webcast

The Company will host an earnings webcast to discuss its financial results on Friday, November 6, 2026, at 8:30am Eastern Time (7:30am Central Time). The earnings call may be accessed via webcast, **here**. Archived access to the webcast will be available for one year on Cresco Labs’ investor website, **here**.

Consolidated Financial Statements

The financial information reported in this press release is based on unaudited management prepared financial statements for the quarter ended September 30, 2026. These financial statements have been prepared in accordance with U.S. GAAP. The Company expects to file its unaudited condensed interim consolidated financial statements for the quarter ended September 30, 2026, on SEDAR+ and EDGAR on or about November 6, 2026. Accordingly, such financial information may be subject to change. All financial information contained in this press release is qualified in its entirety with reference to such financial statements. While the Company does not expect

there to be any material changes between the information contained in this press release and the consolidated financial statements it files on SEDAR+ and EDGAR, to the extent that the financial information contained in this press release is inconsistent with the information contained in the Company's financial statements, the financial information contained in this press release shall be deemed to be modified or superseded by the Company's filed financial statements. The making of a modifying or superseding statement shall not be deemed an admission, for any purposes, that the modified or superseded statement, when made, constituted a misrepresentation for purposes of applicable securities laws. Further, the reader should refer to the additional disclosures in the Company's audited financial statements for the year ended December 31, 2025, filed on SEDAR+ and EDGAR.

Cresco Labs references certain non-GAAP financial measures throughout this press release, which may not be comparable to similar measures presented by other issuers. Please see the "Non-GAAP Financial Measures" section below for more detailed information.

Non-GAAP Financial Measures

This release reports its financial results in accordance with U.S. GAAP and includes certain non-GAAP financial measures that do not have standardized definitions under U.S. GAAP. The non-GAAP measures include: Earnings before interest, taxes, depreciation, and amortization ("EBITDA"); Adjusted EBITDA; Adjusted EBITDA margin; Adjusted gross profit; Adjusted gross profit margin; Adjusted selling, general, and administrative expenses ("Adjusted SG&A"), Adjusted SG&A margin; and Free Cash Flow are non-GAAP financial measures and do not have standardized definitions under U.S. GAAP. The Company defines these non-GAAP financial measures as follows: EBITDA as net loss (income) before interest, taxes, depreciation, and amortization; Adjusted EBITDA as EBITDA less other (expense) income, net, fair value mark-up for acquired inventory, adjustments for acquisition and non-core costs, impairment and share-based compensation; Adjusted EBITDA margin as Adjusted EBITDA divided by revenues, net; Adjusted gross profit as gross profit less fair value mark-up for acquired inventory and adjustments for acquisition and non-core costs; Adjusted gross profit margin as Adjusted gross profit divided by revenues, net; Adjusted SG&A as SG&A less adjustments for acquisition and non-core costs; Adjusted SG&A margin as Adjusted SG&A divided by revenues, net; and Free Cash Flow as Net cash provided by operating activities less purchases of property and equipment and proceeds from tenant improvement allowances. The Company has provided the non-GAAP financial measures, which are not calculated or presented in accordance with U.S. GAAP, as supplemental information and in addition to the financial measures that are calculated and presented in accordance with U.S. GAAP and may not be comparable to similar measures presented by other issuers. These supplemental non-GAAP financial measures are presented because management has evaluated the financial results both including and excluding the adjusted items and believe that the supplemental non-GAAP financial measures presented provide additional perspective and insights when analyzing the core operating performance of the business. These supplemental non-GAAP financial measures should not be considered superior to, as a substitute for or as an

alternative to, and should only be considered in conjunction with, the U.S. GAAP financial measures presented herein. Accordingly, the Company has included below reconciliations of the supplemental non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with U.S. GAAP.

This news release constitutes a "designated news release" for the purposes of the Company's prospectus supplement dated January 29, 2026, to its short form base shelf prospectus dated October 3, 2025.

About Cresco Labs Inc.

Cresco Labs' mission is to normalize and professionalize the cannabis industry through a CPG approach to building national brands and a customer-focused retail experience, while acting as a steward for the industry on legislative and regulatory-focused initiatives. As a leader in cultivation, production, and branded product distribution, the Company is leveraging its scale and agility to grow its portfolio of brands that include Cresco, High Supply, FloraCal, Good News, Wonder Wellness Co., Mindy's, and Remedi, on a national level. The Company also operates highly productive dispensaries nationally under the Sunnyside brand that focus on building patient and consumer trust and delivering ongoing education and convenience in a wonderfully traditional retail experience. Through year-round policy, community outreach and SEED initiative efforts, Cresco Labs embraces the responsibility to support communities through authentic engagement, economic opportunity, investment, workforce development, and legislative initiatives designed to create the most responsible, respectable and robust cannabis industry possible. Learn more about Cresco Labs' journey by visiting **www.crescolabs.com** or following the Company on **Facebook**, **X** or **LinkedIn**.

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 (collectively, "forward-looking statements"). Such 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 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 Annual Information Form for the year ended December 31, 2025, filed on SEDAR+ and EDGAR, other documents filed by the Company with Canadian securities regulatory authorities; 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 Labs’ 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.

Cresco Labs Inc.
Financial Information and Non-GAAP Reconciliations
(All amounts expressed in thousands of U.S. Dollars)
Unaudited Consolidated Statements of Operations
For the Three Months Ended September 30, 2026, June 30, 2026, and September 30, 2025

	For the Three Months Ended		
($ in thousands)	September 30, 2026	June 30, 2026	September 30, 2025
Revenues, net	$ 172,782	$ 173,341	$ 164,913
Cost of goods sold	93,296	86,394	85,553
Gross profit	79,486	86,947	79,360
Gross profit %	46.0%	50.2%	48.1%
Operating expenses:			
Selling, general, and administrative	57,737	63,225	51,640
Share-based compensation	3,695	3,403	1,891
Depreciation and amortization	7,392	6,958	5,636
Impairment loss	—	—	2,365
Total operating expenses	68,824	73,586	61,532
Income from operations	10,662	13,361	17,828
Other (expense) income, net:			
Interest expense, net[1]	(15,666)	(15,105)	(14,140)
Other income (expense), net[1]	181	(1,852)	(13,789)
Total other expense, net	(15,485)	(16,957)	(27,929)
Loss before income taxes	(4,823)	(3,596)	(10,101)
Income tax (expense) benefit	(9,710)	18,966	(11,867)
Net (loss) income[2]	$ (14,533)	$ 15,370	$ (21,968)

[1]Certain immaterial prior period amounts were reclassified to conform to the current presentation.
[2]Net (loss) income includes amounts attributable to non-controlling interests.

Cresco Labs Inc.
Unaudited Reconciliation of Gross Profit to Adjusted Gross Profit (Non-GAAP)
For the Three Months Ended September 30, 2026, June 30, 2026, and September 30, 2025

($ in thousands)	For the Three Months Ended		
	September 30, 2026	June 30, 2026	September 30, 2025
Revenues, net	$ 172,782	$ 173,341	$ 164,913
Cost of goods sold[1]	93,296	86,394	85,553
Gross profit	$ 79,486	$ 86,947	$ 79,360
Fair value mark-up for acquired inventory	628	1,312	—
Cost of goods sold adjustments for acquisition and other non-core costs	790	1,206	1,110
Adjusted gross profit (Non-GAAP)	$ 80,904	$ 89,465	$ 80,470
Adjusted gross profit % (Non-GAAP)	46.8%	51.6%	48.8%

[1] Production (cultivation, manufacturing, and processing) costs related to products sold during the period.

Cresco Labs Inc.
Summarized Consolidated Statements of Financial Position
As of September 30, 2026 and December 31, 2025

($ in thousands)	September 30, 2026	December 31, 2025
	(unaudited)	
Cash, cash equivalents, and restricted cash (current)	$ 72,574	$ 91,086
Other current assets	174,225	168,187
Property and equipment, net	320,772	327,192
Intangible assets, net	317,470	275,342
Goodwill	220,994	208,173
Other non-current assets	147,022	127,320
Total assets	$ 1,253,057	$ 1,197,300
Total current liabilities	$ 108,762	$ 100,180
Total non-current liabilities	892,088	844,618
Total shareholders' equity	252,207	252,502
Total liabilities and shareholders' equity	$ 1,253,057	$ 1,197,300

Cresco Labs Inc.
Unaudited Reconciliation of SG&A to Adjusted SG&A (Non-GAAP)
For the Three Months Ended September 30, 2026, June 30, 2026, and September 30, 2025

($ in thousands)	For the Three Months Ended		
	September 30, 2026	June 30, 2026	September 30, 2025
Selling, general, and administrative	$ 57,737	$ 63,225	$ 51,640
Adjustments for acquisition and other non-core costs	3,580	7,812	3,920
Adjusted SG&A (Non-GAAP)	$ 54,157	$ 55,413	$ 47,720
Adjusted SG&A % (Non-GAAP)	31.3%	32.0%	28.9%

Cresco Labs Inc.
Unaudited Reconciliation of Net (Loss) Income to Adjusted EBITDA (Non-GAAP)
For the Three Months Ended September 30, 2026, June 30, 2026, and September 30, 2025

($ in thousands)	For the Three Months Ended September 30, 2026	June 30, 2026	September 30, 2025
Net (loss) income[1]	$ (14,533)	$ 15,370	$ (21,968)
Depreciation and amortization	15,423	12,656	12,858
Interest expense, net[2]	15,666	15,105	14,140
Income tax expense (benefit)	9,710	(18,966)	11,867
EBITDA (Non-GAAP)	$ 26,266	$ 24,165	$ 16,897
Other (income) expense, net[2]	(181)	1,852	13,789
Fair value mark-up for acquired inventory	628	1,312	—
Adjustments for acquisition and other non-core costs	4,010	8,437	4,443
Impairment loss	—	—	2,365
Share-based compensation	4,173	3,773	2,311
Adjusted EBITDA (Non-GAAP)	$ 34,896	$ 39,539	$ 39,805
Adjusted EBITDA % (Non-GAAP)	20.2%	22.8%	24.1%

[1] Net (loss) income includes amounts attributable to non-controlling interests.
[2] Certain immaterial prior period amounts were reclassified to conform to the current presentation.

Cresco Labs Inc.
Unaudited Summarized Consolidated Statements of Cash Flows
For the Three Months Ended September 30, 2026, June 30, 2026, and September 30, 2025

($ in thousands)	For the Three Months Ended September 30, 2026	June 30, 2026	September 30, 2025
Net cash provided by operating activities	$ 26,129	$ 15,425	$ 6,164
Net cash used in investing activities	(43,393)	(10,440)	(6,124)
Net cash provided by / (used in) financing activities	25,731	(4,439)	(71,096)
Effect of foreign currency exchange rate changes on cash and cash equivalents	(7)	(5)	—
Net increase (decrease) in cash and cash equivalents	$ 8,460	$ 541	$ (71,056)
Cash and cash equivalents and restricted cash, beginning of period	67,365	66,824	153,012
Cash and cash equivalents and restricted cash, end of period	$ 75,825	$ 67,365	$ 81,956

Cresco Labs Inc.
Unaudited Reconciliation of Operating Cash Flow to Free Cash Flow (Non-GAAP)
For the Three Months Ended September 30, 2026, June 30, 2026, and September 30, 2025

($ in thousands)	For the Three Months Ended September 30, 2026	June 30, 2026	September 30, 2025
Net cash provided by operating activities	$ 26,129	$ 15,425	$ 6,164
Purchases of property and equipment	(4,990)	(9,288)	(7,180)
Proceeds from tenant improvement allowances	17	400	—
Free Cash Flow (Non-GAAP)	$ 21,156	$ 6,537	$ (1,016)

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Source: Cresco Labs