

# Cresco Labs Strengthens Position in Robust Ohio Market With Transaction to Acquire Four Additional Operating Dispensaries

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CHICAGO--(BUSINESS WIRE)-- **Cresco Labs** (CSE:CL) (OTCQX:CRLBF) ("Cresco" or "the Company"), one of the largest vertically integrated multi-state cannabis operators in the United States, announced today that it has entered into agreements with Verdant Creations, LLC and its affiliates (collectively "Verdant") that will give Cresco the option to purchase four additional Ohio dispensaries (the "Dispensaries") currently operated by Verdant (the "Transaction"). Completion of the Transaction is subject to approval by the Ohio Board of Pharmacy and, upon closing, Cresco will have a total of five dispensaries in Ohio – the maximum allowed by the State.

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

<https://www.businesswire.com/news/home/20200526005249/en/>

Cresco Labs enters into agreements to acquire four additional dispensaries from Verdant Creations (Photo: Business Wire)

"Upon completion of this Transaction and completing the final phase of buildout at our

cultivation facility, we expect to drive increased revenue growth and operating leverage in this limited license state," said Charlie Bachtell, Cresco Labs CEO and co-founder. "We continue to value vertical integration and retail to create leverage for our wholesale and brand building while providing front-line feedback directly from our consumer base. Ohio is the seventh most populated state in the country, now has over 100,000 registered patients and experienced over 30% growth in average weekly sales from February to April. With our experience in Illinois and Pennsylvania, we think Ohio is on its way to joining these states as one of the strongest performing regulated

cannabis programs in the country.”

Verdant currently operates dispensaries in Cincinnati, Chillicothe, Marion, Newark, and Columbus, Ohio. The Columbus location is not part of the Transaction.

The Transaction is consistent with Cresco’s stated strategy of going deeper in key states. Cresco has 25,000 square feet of cultivation, currently undergoing upgrades, which are fully funded by a sale-and-leaseback agreement with **Industrial Properties REIT**. The four additional dispensaries increase Cresco’s vertical integration in the State and act as crucial customer touchpoints to increase recognition of Cresco’s portfolio of brands. Cresco products are currently offered in nearly 60% of dispensaries in the State.

Under the Transaction, Cresco agreed to provide certain consulting services and financing to Verdant for the development and operation of the Dispensaries in consideration of Verdant’s grant to Cresco of an option to acquire the Dispensaries when permissible under Ohio regulations. Cresco’s financial obligations in the Transaction are substantially fulfilled and the consideration payable by Cresco upon exercise of the option for each Dispensary consists of \$375,000 in cash and \$500,000 of Cresco subordinate voting shares. Subject to approval by the Ohio Board of Pharmacy, Cresco expects the Transaction to close in the fourth quarter of 2020.

## 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](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,’ ‘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 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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