

Cresco Labs Wins Second Merit-Based License in Pennsylvania to Operate Three Additional Dispensaries

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License Win Solidifies Company's Market Leadership in One of Country's Largest Cannabis Markets

CHICAGO--(BUSINESS WIRE)-- **Cresco Labs** (CSE:CL), one of the largest vertically integrated multistate cannabis operators in the United States, today announced that it has been awarded a second merit-based license for dispensary operations in Pennsylvania. The permit allows Cresco Labs six months in which to become operational before it can begin dispensing medical marijuana. The Company is licensed for three dispensaries under its second license.

"Our marquee platform in Pennsylvania showcases our success as the first cultivator to bring branded products to market, the first dispensary approved to open, and the first sale of product to a customer in that state's program," said Charles Bachtell, CEO of Cresco Labs. "We are extremely proud of our accomplishments in Pennsylvania and look forward to continuing to provide relief to patients as we open three new dispensaries. After New Kensington, we plan to open our fourth Pennsylvania dispensary in Reading and then expand into the southeast region of the state."

The Pennsylvania medical marijuana program was signed into law in early 2016 and provides access to state residents with one of 17 qualifying conditions, including epilepsy, chronic pain, and PTSD. Following Cresco Labs' successful win in the state's first highly competitive application process, the Company first entered the Pennsylvania market in February 2018 with the opening of its Butler retail dispensary, making the first ever legal sale of cannabis under Pennsylvania's medical marijuana program. Cresco's flagship location in Pennsylvania, which opened in June

2018, is located in the historic Strip District of the city of Pittsburgh. The Company expects to open its third Pennsylvania dispensary in New Kensington during the first quarter of 2019. Under terms of its first license, Cresco Labs also operates a cultivation facility in Brookville, PA and the products manufactured there are on the shelves of every dispensary in the state.

“Winning merit-based state application processes is the first part of our two-pronged growth strategy, complementing our focus on strategic acquisitions of assets in established regulated markets with high growth potential and barriers to entry,” Bachtell added. “This second license win in Pennsylvania allows us to continue to build our market leadership in one of the most attractive and highly coveted markets in the country and to expand the relief we provide to patients in that state.”

Pennsylvania operates as a high-barrier market with very limited market participation. Retail sales opened in February 2018 to a limited number of retail locations across the state. Pennsylvania's medical marijuana market is expected to become one of the biggest markets in the U.S.¹ and due to the rapid acceleration of cannabis demand in Pennsylvania, Cresco Labs is currently implementing a 70,000 square foot expansion that will provide an additional 45,000 square feet of cultivation space at their Brookville facility.

In the state of Pennsylvania, Cresco Labs does business as Cresco Yeltrah.

¹ Source: **Marijuana Business Daily, January 2018**

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.

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