

NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR DISSEMINATION IN THE U.S. Cresco Labs and Origin House Announce Amendment to Arrangement Agreement and Non-brokered Financing

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CHICAGO & TORONTO--(BUSINESS WIRE)-- Cresco Labs Inc. ("**Cresco Labs**"- CSE: CL, OTCQX: CRLBF) and CannaRoyalty Corp. d/b/a Origin House ("**Origin House**"- CSE: OH, OTCQX: ORHOF) today announced that, in connection with the previously announced plan of arrangement pursuant to which Cresco Labs will acquire all of the issued and outstanding shares of Origin House in an all-stock transaction (the "**Arrangement**"), the parties have agreed to an amendment (the "**Amendment**") to the arrangement agreement dated April 1, 2019 (as amended, the "**Arrangement Agreement**") to provide for certain changes to the covenants and agreements contained therein. In connection with the Amendment, Origin House will also complete a non-brokered financing (the "**Financing**") of up to 9,705,882 common shares of Origin House ("**Common Shares**") at a price of C\$4.08 per Common Share for aggregate gross proceeds of C\$39,600,000 (approximately US\$30 million) to strengthen the balance sheet of the combined company. The Financing is fully subscribed, and the proceeds of the Financing will be held in escrow pending closing of the Arrangement. In addition, certain persons, including services providers, have agreed to be paid amounts owing to them by Origin House in Common Shares.

Pursuant to the Amendment, the consideration payable under the Arrangement will be reduced from 0.8428 of a subordinate voting share of Cresco Labs (a "**Cresco Share**") for each Common Share and 84.28 Cresco Shares for each class A compressed share of Origin House (a "**Class A Share**"), to 0.7031 of a Cresco Share for each Common Share and 70.31 Cresco Shares for each Class A Share. The closing of the Arrangement remains subject to satisfaction or waiver of all applicable conditions.

"This is a transformational deal, which will significantly accelerate Cresco Labs' growth in California, while providing

a launchpad for the combined company to develop and distribute best in class brands across the country,” said Charlie Bachtell, CEO and Co-founder of Cresco Labs. “We are very pleased that our groups were able to mutually develop elegant solutions enabling this very important transaction to progress toward closing. Origin House has successfully built the premier cannabis distribution platform (Continuum) in one of the largest cannabis markets in the world. Distribution in California is of utmost importance and a material position in the California market is a requirement for a cannabis industry leader. In addition, Origin House’s cultivation assets, FloraCal Farms and Cub City, are world-class and not only give Cresco Labs access to ultra-premium indoor cannabis for the California market, with quality and yields per square foot rarely seen in this industry, but bring access to a leadership team and cultivation system that will materially increase yields and quality standards across the rest of Cresco Labs’ national footprint.”

Mr. Bachtell continued, “Cresco Labs has cultivated a successful track record of disciplined execution and diligent stewardship of our shareholders’ capital. We recently launched a new advertising campaign in California which marks the beginning of the growth our combined company can generate in the state. The addition of Origin House will accelerate Cresco Labs’ California entry and aids our long-term plan to be successful in the two middle verticals in the value chain – distribution and branded products – a position which we expect will enable us to generate superior margins and returns on capital for our shareholders. We look forward to closing in January 2020 and working with Marc and the team at Origin House to create the strongest vertically integrated cannabis company in California and the most important cannabis company in the U.S.”

Marc Lustig, Chairman and CEO of Origin House added, “Having had an opportunity to re-engage and collaborate with the Cresco Labs team since the expiry of the Hart-Scott-Rodino Antitrust Improvements Act waiting period in October, we are even more excited about the opportunities available to the combined company both in California and beyond. The strategic footprint that Cresco Labs has built across the U.S., backed by a portfolio of the country’s top consumer brands, is a perfect match for Origin House’s distribution leadership in one of the most dynamic cannabis markets in the world – California. This deal represents an opportunity for Origin House to accelerate its growth and margin profile by gaining access to Cresco Labs’ leading portfolio of brands, joining what I believe is the most innovative U.S. multi-state operator in existence today, to build value for our California brand partners, our combined customer bases and for our shareholders.”

Mr. Lustig added, “The equity market environment has changed meaningfully since we first announced this proposed transaction. While this has presented challenges, it will also present opportunities for companies with quality assets and brands to quickly gain market share and build long-term shareholder value. The Financing announced in connection with this transaction will provide additional capital that the combined company expects to be in a position to use to prudently accelerate growth as opportunities continue to arise. Origin House continues to leverage its statewide brand support and distribution platform, while Cresco Labs has built a footprint that

covers over 70% of the available U.S. customer base, backed by a portfolio of leading in-house brands and one of the best teams in the business. We believe that continuing with the Arrangement on the amended terms is in the best interest of Origin House and all of its shareholders.”

Origin House expects to hold a second meeting (the "**Meeting**") of its shareholders to approve the Arrangement, as amended, and it is expected that the Meeting will be held in late December, 2019. Assuming satisfaction or waiver of all closing conditions, it is expected that the Arrangement will close by the middle of January, 2020. Additional details concerning the Arrangement, including the Amendment, will be contained in the management information circular to be sent to Origin House shareholders in connection with the Meeting.

The Board of Directors of Origin House unanimously recommends that Origin House shareholders vote in favor of the resolution to approve the Arrangement, as amended.

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.

ABOUT ORIGIN HOUSE

Origin House is a growing cannabis brands and distribution company operating across key markets in the U.S. and Canada, with a strategic focus on becoming a preeminent global house of cannabis brands. Origin House’s brand development platform is operated out of six licensed facilities located across California, and provides distribution, manufacturing, cultivation and marketing services for its brand partners. Origin House is actively developing infrastructure to support the proliferation of its brands internationally, initially through its acquisition of Canadian retailer 180 Smoke. Origin House’s shares trade on the CSE under the symbol “OH” and on the OTCQX under the

symbol "ORHOF". Origin House is the registered business name of CannaRoyalty Corp. For more information, visit www.originhouse.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 Origin House's and Cresco Lab's (collectively, the "Companies") beliefs regarding future events, plans or objectives, many of which, by their nature, are inherently uncertain and outside of the Companies' 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. Forward-looking statements include, without limitation, statements relating to the terms of the Arrangement and the Amendment, the timing of the Meeting, the timing, receipt and nature of shareholder approval for the Arrangement, the timing to, and likelihood of, closing the Arrangement, the conditions to closing the Arrangement, the terms, pricing and timing of the Financing, the value, strength and growth prospects of the combined Companies, and the long-term prospects of the cannabis industry.

Forward-looking statements contained herein involve known and unknown risks, uncertainties and other factors which may cause the 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 each of the Company's periodic disclosure filed on SEDAR; and other factors, many of which are beyond the control of the Companies, including, but not limited to: regulatory approvals; investing in target companies or projects that are engaged in activities currently considered illegal under US federal law; changes in laws; limited operating history; reliance on management; requirements for additional financing; competition; hindering market growth and state adoption due to inconsistent public opinion and perception of the medical-use and adult-use marijuana industry and; regulatory or political change. Readers are cautioned that the foregoing list of factors is not exhaustive. Because of these uncertainties, readers should not place undue reliance on the any forward-looking statement contained herein; the results or events predicted in the forward-looking statements may differ materially from actual results or events. No assurances are given as to the future trading price or trading volumes, nor as to financial performance in future financial periods. Except as required by applicable law, neither Company intends to update any of these factors or to publicly announce the result of any revisions to any of 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

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