

## **Cresco Labs Receives Adult-Use Approval for All Five Existing Illinois Dispensaries**

*Cresco is the first company in the state of Illinois to be approved for both adult-use cultivation and adult-use dispensary operations in the state*

CHICAGO--(BUSINESS WIRE)--October 16, 2019--Cresco Labs (CSE:CL) (OTCQX:CRLBF) (“Cresco” or the “Company”), one of the largest vertically integrated multistate cannabis operators in the United States, today announced that it has received Early Approval Adult-Use Dispensing Organization Licenses for all five of its existing Illinois medical cannabis dispensaries. Cresco received approval for adult-use cultivation on September 30<sup>th</sup> making it the only company approved for both adult-use cultivation and adult-use dispensary operations in the state.

“Illinois is Cresco’s home state and with the transition to a legal adult-use market in January of 2020, the state is expected to produce between \$2 – 4 billion in sales at maturity (BDS Analytics)<sup>1</sup>, making this one of the single largest opportunities in the U.S. cannabis space today,” said Charlie Bachtell, Cresco Labs CEO and Co-founder. “Cresco is well-positioned to capture a significant share of this revenue opportunity for shareholders. We have 25% wholesale share of the current medical market, a portfolio of recognized brands and three cultivation facilities that can represent 630,000 square feet at completion, in what is expected to be a supply-constrained market.”

Mr. Bachtell added, “Illinois has put forth a model that will make it one of the most intelligently regulated states in the U.S. and we hope this blueprint will serve as a path for states transitioning over the next few years. Illinois was the first large state to legalize cannabis through legislative processes instead of through referendum. One of the primary reasons the government was able to achieve this was due to its focus on social equity, which is directly aligned with Cresco’s core values and approach to the market.”

Cresco Labs currently has five medical dispensaries in the state of Illinois, including: Phoenix Botanical; MedMar Lakeview; MedMar Rockford; PDI Medical; and FloraMedex. Each of these dispensaries has received approval for adult-use sales. As an existing medical cannabis dispensary operator, the Company will receive an additional adult-use license for each of its current medical dispensaries, which will bring Cresco Labs’ total adult-use footprint to 10 total retail dispensary locations. In July, Cresco Labs announced the formation of a new national retail brand Sunnyside\*, a wellness-focused retailer designed to build trust, education and convenience for both existing and new cannabis consumers. All of the Company’s Illinois dispensaries will transition to this new retail concept.

The Company’s three cultivation licenses located in Joliet, Kankakee and Lincoln, can represent a total combined cultivation space at completion of 630,000 square feet per Illinois state regulations.

**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 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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<sup>i</sup> The Economic Policy Institute of Illinois

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